

First Congressional District Candidate Questionnaire Results



October 2010

Background

With several key business issues at the forefront in 2010, the election in Minnesota's first congressional district could impact the businesses of southern Minnesota for years to come.

To better understand candidate positions on critical business issues, an online questionnaire was created and sponsored by ten chambers of commerce in the first congressional district. Randy Demmer, Lars Johnson, Congressman Tim Walz and Steven Wilson, received the questionnaire on September 29 and were asked to return the survey by October 6.

The questionnaire is designed to inform chamber members about the candidates and their positions on issues important to job creators in their district. Sponsoring chambers will send the results to their membership before the November 2 election.

Below is information on the candidates and the answers that were returned.

Candidate Profiles

Randy Demmer (R)



Current City: Hayfield

Occupation: State Representative, MN 29A

Background: Farming

Website: <http://www.demmerforcongress.com/Home.aspx>

Tim Walz (D)



Current City: Mankato

Occupation: U.S. Congressman, First District, MN

Background: Teacher

Website: <http://www.timwalz.org/index.asp>

Lars Johnson (No Party)



Current City: Rochester

Occupation: Food safety certification trainer

Background: Restaurant Industry

Website: <http://runlarsrun.com/>

Steven Wilson (I)



Current City: Rochester

Occupation: Business development

Background: Agriculture

Website: <http://www.stevenwilson.org/index2.php>

Part I

| 1. Do you believe our free enterprise system is currently threatened? | | | |
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| <p>Randy Demmer:</p> <p>Yes, it is threatened - thanks to the wasteful spending, over-reaching regulation, and mountains of debt that Congress has piled onto our entrepreneurs and job providers. Time and again they have put policies in place that have the exact opposite effect of their stated goals of job creation. They wasted \$787 billion in “stimulus” on a wish list of porkbarrel spending that ultimately did nothing to hold back unemployment. Instead of acting to provide stability for small business owners and job providers, they chose to play political games and delay any action to stop a massive tax increase until a lame-duck session – if then. In feeding the insatiable appetite for spending and fostering a culture of dependency on government, we are piece-by-piece moving our country away from the free market-based private sector economy that built this great country.</p> | <p>Lars Johnson:</p> <p>Our free enterprise system is always threatened. As a Congressman I will try to be sure the federal government guards against the moral threats by ensuring that contracts are binding, punishing thieves and swindlers, and preventing coercion so that producers and consumers have the most choices. I will work to reduce and prevent government threats by working for sound money and adequate cash flow, discouraging monopolies, and not favoring any industry with subsidies.</p> | <p>Tim Walz:</p> <p>I am concerned that legislation like the bank and auto bailouts have weakened our free enterprise system. The American free enterprise system is the source of our historic economic strength, where every person and business has the ability to succeed and the risk of failure. The bailout mentality that took over Washington in 2008, with the active support of many in the business community, is the most significant threat to our free enterprise system.</p> <p>Further, the financial security of this great nation requires a level playing field in savings, investment and access to capital. I voted for the Wall Street reform law that will ensure a balanced approach to regulating our financial markets. Without these regulations, in the past 10 years con-men and hucksters were able to gamble with the retirement funds of millions. By passing common sense regulations, peace of mind was restored for investors and the accountability demanded by the American people was achieved.</p> | <p>Steven Wilson:</p> <p>Yes. I believe free enterprise may be threatened at a deep level. Evidence of this is the growth and direction of our federal government. Outlays in federal spending have gone from 21% of GDP to 27% in the last two years. This is concerning. We simply cannot look to a strong central government for our hope and future. Let me explain. When the iron curtain fell and the eastern bloc countries of Europe became free again, I briefly worked in the countries of Hungary and the Czech Republic. I have personally looked into the eyes of people living in an environment of a strong central government. Do you know what I saw? Apathy. I also spent a year in Iraq as a Senior Business Development Specialist. Again people surviving a strong centralized government. A strong central government is not the direction any nation should be moving toward, who desire to have a robust free enterprise system. Innovation begins at the end of socialism not at the beginning.</p> |

2. Do you believe that tax increases hurt job creation?

| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
|---|--|---|--|
| <p>Without question. Put simply, our current unsustainable fiscal situation will require either more revenues for the government or finally getting serious about reducing government spending. The current Congress and administration will close the gap not by shrinking government, but by increasing taxes. We all know the current situation is unsustainable, and something has to be done. Our leaders today have proven they won't make those tough choices, meaning that tax increases are coming, and they will crush our job-creating businesses.</p> | <p>The answer to this question depends on which taxes and which jobs you refer to. I believe we are over taxed now and that needs to immediately change with drastic cuts.</p> <p>In general, I am not concerned about increases if they are proper tax increases. I am concerned about only taxing at the federal level for tasks that the federal government should engage in. I believe that federal programs that are Constitutionally mandated (border patrol and control) should be receiving more dollars. I believe that welfare programs at the federal level should not exist, so that amount of tax dollars should disappear.</p> <p>My goal is to get us back to the point where we fully fund the correct programs and eliminate what is not constitutional. When we are at that point, we will see our taxes fluctuate a little and that will be ok.</p> | <p>Increasing taxes on the middle class is the wrong approach. The middle class is the key to revitalizing our economy. Through tax cuts targeted toward the middle class and small business, our local businesses will be the engines of job creation as we grow out of this recession. The more money they have to spend, the more private sector job creation we will see.</p> <p>The latest research produced by the non-partisan Congressional Budget Office indicates extending President Bush's tax cuts for millionaires and billionaires will have a detrimental impact on our economy. To ensure long term fiscal security, our country must begin paying down the debt. The first thing we must do is stop digging. Those who advocate adding up to \$4 trillion to the national debt with permanent tax cuts for millionaires and billionaires are placing our national security at risk.</p> | <p>Of course they do. If I own a company and I am looking at locating in Minnesota, I will certainly consider the amount of taxes I will have to pay before moving here. As a business consultant, I have had many conversations with business people about bringing their dairy operations to Minnesota and getting beat by another state with less tax burden and fewer regulations.</p> <p>If there is a way to eliminate corporate taxes in the state of Minnesota that would be exciting. If we would combine that approach with my jobs and energy plan at www.stevenwilson.org/solutions.php, southern Minnesota could be on the leading edge of job creation in the United States.</p> |

3. Do you think the growth of government at all levels and the deficits that follow negatively impact job creation?

| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
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| <p>Government does not create jobs, nor does it create revenue. Every dollar spent by the government must come out of the private sector and the hands of taxpayers. As the size and cost of government grows, we must take more and more money away from the private sector, leaving consumers with less to spend and our job creators with less to invest in their businesses. Continual - seemingly endless - expansion of the federal government is sending our economy into a downward spiral. Recovery and job creation will only truly begin when our government lives within its means, and puts the focus back on providing the stable environment that our entrepreneurs and job providers need to prosper.</p> | <p>No. The problem occurs when the growth of government outpaces the private sector. For example, when a city experiences a sharp increase in construction and remodels, there will be an increased need for building inspectors and plan reviewers. If the city is properly staffed and efficient, it speeds up the process for the builders. It should work the same as it does for industry.</p> <p>Sometimes a growth in government creates niches in the private market. For example when government mandates a certification training there will be private individuals who enter the training market to meet the need. The health departments did not train 50,000 restaurant workers in food safety in the last 10 years. Goals: A formula to cap the number of government jobs per capita; keep wages and benefits for government jobs below the private sector; no government pensions.</p> | <p>We have to be smart about the investments we make. I choose smart government while others argue about big and small government. The debate about bigger government or smaller government misses the point. Government needs to work efficiently. I am disheartened by politicians who think they can score political points by calling for cutting spending without stating what spending they will cut. If you don't think a program is working, you should have the courage to eliminate it, and to tell the voters what you will do. To just promise to cut a specific amount of spending, without specifics, is a promise that is insincere at best.</p> <p>I believe that we must institute an ironclad pay as you go restriction on the Congressional impulse to spend. Representative Demmer wants to take us back to the economic policies that got us into this mess. It is dishonest to profess concern about deficits in one situation, but ignore them when tax cuts for millionaires and billionaires are at stake.</p> | <p>Yes. The debt and deficits are the biggest threat to America. The only way we can pay for our bills right now as a nation is to borrow at least a trillion dollars a year for the near, medium and long term. As soon as our lenders become a bit nervous we will not be able to borrow that needed money. Then what happens? Interest rates go up and future expected profits go down. When future expected profits go down, hiring generally slows down dramatically or stops.</p> <p>How fast can it happen? Fast. We not only borrow a trillion dollars a year but we are currently refinancing the majority of the total \$13.5 trillion each year. It is my understanding the U.S. Treasury auctions nearly \$200 billion of treasuries each week.</p> <p>Secondly, as more investment is made into government treasuries a "crowding out" occurs. Private investment is crowded out by competition so that same dollar is invested into public bonds rather than into private investment.</p> |

4. Would you deal with the debt and deficit issues through increasing government revenue or decreasing government spending?

| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
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| <p>As I discussed above, increases in government revenue result in a reduction of the fuel needed for our economic engine, which ultimately shrinks the amount of revenues that we already have. If we are going to get serious about dealing with the debt and deficits, we must first stop government from living beyond its means, get back to its core priorities and functions, and set a budget in place that funds those priorities. As we eliminate roadblocks to economic growth and vitality – such as wasteful government spending – we will see revenues increase. At the same time, if we can keep a tight lid on growth in government, we will be able to use those increased revenues to deal with our debt. Paying down the debt frees up additional money over time by avoiding additional debt service payments, and the cycle is able to repeat itself. At the start, though, it is all dependent on getting a hold of runaway spending that is a burden to economic growth and vitality.</p> | <p>No response provided.</p> | <p>We must not just cut the pie differently – we must grow the pie. If our economy can be grown while government spending is restrained we can eliminate the deficit through growth the same way we did during the Clinton Administration. Policy makers should focus more on cutting unneeded regulations and instituting smart tax policy to foster job creation and economic growth.</p> | <p>This is certainly the question of the day. Please keep in mind at this point I am not currently in office and I am only the messenger. I did not get us into this mess.</p> <p>I have studied the national debt closely over the last year and I will answer this honestly based on the numbers, not ideology.</p> <p>The hole we have dug for ourselves is so big, we cannot dig ourselves out by taxes, by cuts alone or by growing our way out. It will take all three. We have to remove \$5 trillion of deficits by 2018 in order to create a sustainable financial path for our nation. I believe it is possible to accomplish this with \$3 trillion in spending cuts, \$1.5 trillion in tax revenue and \$500 billion in interest savings.</p> <p>At the same time we have to allow more time for our economy to get started again. The best way I can see this all working together is to extend the Bush tax cuts for 1-2 years and then let them expire.</p> <p>This is the best bad option and will include very tough decisions.</p> |

5. Do you believe that the uncertainty resulting from pending tax increases, higher government deficits and more government regulations will hurt the economy?

| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
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| <p>Uncertainty is the first barrier to entrepreneurs taking risks, and a willingness to take risks is the first ingredient in private sector growth. It's hard, if not impossible, for small business owners to hire more employees when they don't even know the size and scope of their tax liabilities for the next year. It shows just how out of touch they are that this Congress failed to take action to stop impending tax increases and help provide stability across the board. In addition, Congress has actively contributed to the uncertainty felt by families and job providers by pushing through reactionary regulatory overhauls in health care and in financial reform. Companies and individuals are being hit with increased compliance costs due to vast changes in the regulatory environment and are unable to make informed decisions because the full consequences and scope of agency rulemaking won't be determined for years to come.</p> | <p>Uncertainty really does make a difference as far as how people use their assets and what shape it takes. Just because people aren't drawing on lines of credit or spending on materials, that does not mean that individual economies are necessarily going to suffer. Sometimes hesitation (= patience?) will result in savings. Savings are a sign of economic growth as well.</p> <p>I think that what hurts the overall economy most of all is debt. By the time a business or individual has paid off debt, it is like paying 10%, 20%, or sometimes 100% of the retail price. That is not good for the economy.</p> <p>Inflation is also bad for the economy. We call it inflation but it is really planned devaluing of our dollar. It doesn't buy as much as it used to, so we have to work harder and have more financial margin just to get ahead. We must stop printing money and audit the most important bank in the world- the Federal Reserve.</p> | <p>The uncertainty and chaos in our financial and banking industries was enabled by a lack of proper oversight. The folks complaining about regulatory uncertainty are the bankers who want to continue fleecing the taxpayers and withholding capital from Main Street while playing the games that got us into this mess. The tax increase on the millionaires and billionaires included in the Bush tax laws has been known for 10 years. The only uncertainty is whether the Republicans in Congress, aided by Randy Demmer, will block an extension of tax cuts for almost every single household and small business in the First District, in order to protect the tax breaks for the top 2%.</p> <p>Local Chambers of Commerce could be part of the solution to this crisis if they would educate their members on key issues of the day using a balanced approach to problem solving, not allowing themselves to be hijacked by one or two partisan individuals looking to score points with national Republican leaders.</p> | <p>Absolutely. Uncertainty is the key. That is why I have spent the last 8 months collecting ideas from business owners across southern Minnesota to provide solutions for stabilizing our debt and moving our economy forward. The solutions can be found on my website at www.stevenwilson.org and then click on solutions. There are ten solutions in all and they are in pdf format so you can easily print them.</p> |

Part II

(Candidates were asked to answer Yes, No or Don't Know)

| 1. Would you have voted for HR 3962, the Affordable Health Care for America Act, in the House of Representatives that included a "public option" and imposed an employer mandate? | | | |
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| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| No | No | Yes | No |

| 2. Do you support market-based health reforms such as small business health plans, health savings accounts and tax deductibility of premiums as ways to control rising health care costs? | | | |
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| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| Yes | Yes | Yes | Yes |

| 3. Do you support initiatives to focus our education on workforce readiness? | | | |
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| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| Yes | Don't Know | Yes | Yes |

| 4. Would you have voted for HR 2454, the American Clean Energy and Security Act, that would set new greenhouse gas emission standards, efficiency standards, and create a carbon cap-and-trade program? | | | |
|--|----------------------|------------------|-----------------------|
| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| No | No | Yes | No |

| 5. Does the federal government need to play a prominent role in the maintenance and development of transportation infrastructure in the United States? | | | |
|---|----------------------|------------------|-----------------------|
| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| Yes | No | Yes | Yes |

| 6. Would you vote to increase competitiveness of U.S. manufactured goods, services and agriculture products by supporting trade agreements such as the U.S.-Korean Free Trade Agreement? | | | |
|---|----------------------|------------------|-----------------------|
| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| Yes | Don't Know | Don't Know | Don't Know |

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| 7. Do you support HR 1409, the Employee Free Choice Act, that would make it easier for unions to organize by effectively eliminating the secret ballot and imposing binding arbitration if the employer fails to agree on a contract with a newly formed union? | | | |
| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| No | No | Yes | No |

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| 8. Would you support a permanent or temporary extension of the 2001 and 2003 Tax Bills that included cuts in the marginal income tax rates, increased child tax credit, increased dependent care credit, phased out estate tax, cut dividend tax, and cut capital gains among others? | | | |
| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| Yes | Don't Know | Yes | Yes |

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| 9. Would you support the repeal of the estate/death tax? | | | |
| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
| Yes | Yes | Don't Know | No |

Comments regarding Part II

| Randy Demmer: | Lars Johnson: | Tim Walz: | Steven Wilson: |
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| <p>Business growth and job creation require the ability to plan for a stable future. Our small businesses know that a balanced budget and limited government are the best stimulus for our economic woes, but Tim Walz's votes have done exactly the opposite. He racked up levels of debt futilely attempting to 'stimulate' the economy, ignoring that private sector growth is the real jobs engine. He refused to solidify our tax environment, leaving business planning in limbo and hitting taxpayers across all income levels. The bottom line in this election is that a representative who votes 97% of the time with Nancy Pelosi cannot be the right choice for a district reliant upon small business, agriculture, and world</p> | <p>3- Education should not be a federal issue, it is a local issue. I will work to decentralize federal control over education. Minnesota can decide on what to emphasize in school.</p> <p>5- The only thing the Constitution says about transportation is that Congress shall establish post offices and maintain postal roads. I do not support federal subsidies of transportation. Transportation dollars should not leave the state and projects should not be dictated with federal mandates attached.</p> <p>6- The US Senate ratifies treaties. I am hesitant to support a treaty until I know that our national sovereignty is still intact.</p> | <p>The previous nine questions require far more discussion than just a one-word answer. I believe business leaders and families in southern Minnesota want a real conversation on these issues about the best way to help businesses grow. Please visit my website at www.timwalz.org for full answers to each question.</p> <p>Nine (9) straight months of PRIVATE SECTOR job growth and some of the lowest unemployment rates in the country show the policies I have voted for are getting this country back on track. My opponent takes a different view. Rep. Demmer</p> | <p>#9 Only after our debt and deficits are under control would I consider the idea.</p> |

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| <p>class health care. Try as he might, he cannot run away from his own record; the only way to change the direction in Washington is to change who we have representing us.</p> | <p>8- I absolutely support the tax cut items mentioned; they are very good cuts to extend. I am not familiar with the entire bills, so I do not know if I would support the rest of them. If there are bad items in those bills, I would not support them.</p> | <p>continues to promote and promise the exact same policies that pushed our economy over a cliff. Now, just as we pull ourselves up, they want to extend or re-implement the same failed policies. It is time to move America forward.</p> | |
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