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MAIBACH CALLS FOR AN ECONOMIZED GOVERNMENT

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Reporter Christopher Grey Interviews US Congressional Candidate, Michael C. Maibach

Michael Maibach, a resident of Mountain View, is among the Republican candidates vying for the Congressional seat of the 14th District of Columbia, which encompasses such areas as Palo Alto, Mountain View, and Cupertino. In the past, the Stanford area has fallen in the 12th district and been represented by moderate to liberal Republicans such as Campbell. However, reapportionment shifted Stanford to the 14th district. Maibach, who is 40 years old, is Director of Government Affairs for the Intel Corporation.

Why should Stanford students vote for you?

I know an awful lot about job creation. I am the only guy in the Fortune 500 running for Congress this year. The future is in electronics and technology. We need more people from high technology industries in the Congress. In 1951, this country was debt free; now every child who is born owes the government \$15,000. We need to reduce the debt by cutting spending. No tax increases. We need to cap the income tax. Put more tax on consumption and less on income. That means a change from 33% tax rate on income to 25%, giving individuals 8% more discretionary income than before. In addition, there should be no taxation on savings. Social Security must be phased out and ultimately privatized. We make sure the people already in the system are taken care of. But in the future, citizens, at their initial entry into the work force will be given own responsibility to choose from a variety of privatized retirement plans approved and required by the Social Security Administration. This plan would empower citizens of the next generation to care more about their own retirement and investment, introducing more people to the marketplace and creating millions more capitalists who would contribute toward economic growth.

What do you believe is the proper role for government?

The federal government should be more like Federal Express and less like the post office. I believe we should economize government services, rather than minimize them. Government is an opportunity that is being squandered. The government has got to adopt the attitude of a business and start serving people in innovative ways. We should stop wasting government resources and get rid of the red tape and bureaucracy.

What changes would you propose to help economize our government?

I believe schools should compete. We should cut back on school administration. Teachers should be paid by the quality of their performance. Present teacher's union rules obstruct efficiency and discourage excellence. We spend more per student than other nations but get worse performance. That has got to change.

Housing and Urban Development should be shut down. Other government services should be privatized, such as the post office. We should let communication companies like AT&T and Federal Express bid competitively to take it over. I believe this would lead to higher technology delivery and more efficient management.

Environmental regulations are overdone. They slow down the development and discourage corporate enterprise. I would [encourage] regulations [which are] more user-friendly and better coordinated. These changes are not anti-government, but rather pro-citizen and pro-consumer.

How would you alter tax policy to jump start the economy?

I would propose certain tax cuts. There should be a cap on total government tax revenue; it should never exceed more than 33% of the GNP. Beyond that, taxes become too much of a drag on the wealth-creating portion of our society. At present I believe it is 38%.

The capital gains tax rate should be phased out over 5 years. People who sell out quicker will not get their full benefits. We need to encourage long term investment. I would amend the Glass- Steagall [Act] to allow commercial banks to own a limited amount of any given company- say 10%- that would not amount to more than 10% of the bank's total resources. We should encourage banks and other companies to own each other. I believe this would stabilize our financial market.

© Michael C. Maibach is the Director of Government Affairs at the Intel Corporation. He is one of 15 candidates running to replace US Rep. Tom Campbell in California's 14th Congressional District. Mr. Maibach resides in Menlo Park, just blocks from Stanford's Palo Alto campus.