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## Gov. Rick Perry's Business-Friendly Texas Thriving

by [Kenneth Hanner](#)

05/16/2011

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*Across the country, governors are taking back America, piecing together a country weakened by the wealth-destroying policies of Barack Obama.*

*At Human Events this week, we are offering a look into seven of these governors and what they are doing to restore America. Today, we begin with Gov. Rick Perry of Texas and [Gov. John Kasich of Ohio](#).*

AUSTIN, Tex.—The same week in April that a delegation of government officials from beleaguered California came to Texas to examine the state's sound economy, Republican Gov. Rick Perry announced deals with three major corporations, creating new jobs in the Lone Star State.

It's no big secret why Texas has been attracting businesses, while corporations are fleeing California. As Perry told the Golden State visitors, Texas' low taxes and regulatory sanity offer a friendly business climate for companies looking to set up shop.

"Here in Texas, our economic approach has made our state a major destination for companies looking to relocate or expand," Perry told the delegation.

California Assemblyman Dan Logue, who led the group, noted the stark difference between how the two states' economies performed during the recession.

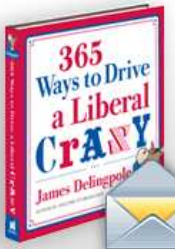
"From 2008 to 2010, Texas added more than 165,000 jobs. During that same time period, California lost 1.2 million jobs. In terms of creating jobs, Texas is clearly doing something right and California is doing something wrong," said Logue.

"There were certain principles we stuck with," Lucy Nashed, a spokesman for Gov. Perry, told HUMAN EVENTS in an interview. She said those principles included low taxes, a "reasonable" regulatory environment, and a fair legal system "with no over-suing."

The business-friendly approach seems to be working. In its April report, the Federal Reserve Bank of Dallas said that the Texas economy continues to thrive compared with the rest of the nation, with employment expanding at a 3.1% annual rate in February. The state's unemployment rate was 8.2% in April, compared with the 8.9% April national rate.

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With his solid economic record and a wide-open Republican presidential field, Perry would be an A-list candidate if he decided to jump into the race. He is currently the nation's longest-serving governor and is chairman of the Republican Governors Association.

Elevated from lieutenant governor in 2000, when then-Gov. George W. Bush won the presidency, Perry, 61, regularly cruises to reelection, winning his third four-year term last year when he handily defeated former Houston Mayor Bill White, 55% to 42%.

As an outspoken advocate for limited government and states' rights, Perry would be naturally positioned to compete for Tea Party support, and, after 10 years as governor, has the connections needed for fund-raising success. But Perry has repeatedly disavowed a possible 2012 presidential bid.

The deals that Perry announced during the week of the Californians' visit were possible due to a program called the Texas Enterprise Fund (TEF), which allots money to help companies relocate or expand in the state in order to generate new jobs. According to the governor's office, the fund has become "one of the state's most competitive tools to recruit and bolster business."

The largest of the three deals was the announcement by eBay that it would invest \$5.1 million to expand its Austin office, creating more than 1,000 jobs, after the TEF program allocated \$2.8 million for the project. The other deals were announcements by 3M and TD Ameritrade that they were expanding their existing facilities in Angleton and Fort Worth.

The TEF program is credited for generating more than 58,000 jobs and \$14.7 billion in capital investments in the state since 2003, when Perry pushed for its inception, while the state has spent \$433 million to attract and bolster the private investments.

"The TEF program is essentially a deal-closing fund," Nashed said. "It helps local officials who have already been negotiating with a company by giving "a little extra push at the end," she said.

Another arrow in Perry's economic quiver is a program called the Texas Emerging Technology Fund (TETF). That program has doled out more than \$193.7 million to high-tech companies and universities for research and development.

Nashed said the fund helps biotech and telecommunication companies partner with Texas universities to work on "groundbreaking, life-changing technology," bringing research jobs into the state.

Critics say that the Texas economy is not as strong as it looks, and point to the \$27 billion budget shortfall that needed to be confronted as the state legislature reconvened in January.

But Perry's approach to the budget deficit largely follows his limited-government philosophy: Keep government small and cut spending.

With the mid-term Republican tsunami that swamped Texas Democrats, Perry's conservative troops in the state legislature grew, and there was never any doubt that spending cuts, not tax increases, would be the way to get the budget shortfall under control.

The state senate passed a bill calling for \$23 billion in spending cuts, mostly in education and Medicaid programs, while the statehouse countered with \$11 billion in spending cuts.

As the process continues, with a late May deadline, the state senate has already backed down from trying to tap into the state's "rainy-day" fund to lessen the severity of the cuts after opposition from Perry and conservatives in the statehouse.

An analysis by the Texas Public Policy Foundation (TPPF), a free-market think tank in Austin, said that "controlling the size and cost of government is the No. 1 reason Texas' economy has remained strong."

"If we don't spend as much, we can have lower taxes," Bill Peacock, director of the foundation's Center for Economic Freedom, said in an interview with HUMAN EVENTS.

In addition to low state spending and a relaxed regulatory climate, Peacock said the Texas economy has been aided by being a right-to-work state. "We don't have a lot of problems with union pressure," said Peacock. He also cites tort reform measures signed into law by Perry earlier in the decade, which have lowered the number of frivolous lawsuits.

Perry strongly indicated his support for the limited-government approach when he spoke about the state's economic success while attending the recent launch of the TPPF's new Laffer Center for Supply-Side Economics.

Arthur Laffer, of course, was the Reagan economic aide who famously drew a curved line on a napkin, illustrating how decreases in tax rates can increase tax revenue.



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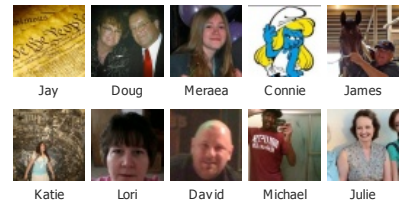
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Perry said Laffer's supply-side philosophy is consistent with his approach in governing the Texas economy.

"By sticking to the principles Dr. Laffer has advocated, like low taxes, predictable regulations and a fair court system, Texas has become a beacon for employers fleeing the job-crushing atmosphere that has taken hold in other states," said Perry.

When asked how the governor would philosophically reconcile his limited-government views with a state program such as TEF, which uses taxpayer money to steer funds to private companies, Nashed said, "While Gov. Perry believes in limited government, he also believes in competition between the states."

Kenneth Hanner is former national editor of The Washington Times and former managing editor of HUMAN EVENTS.

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 **turfmann** 13 hours ago

Once again, the old, dead white guys were right.

The founders never conceived of Texas - although they'd probably love the entire concept and spirit of the place. Imagine a Samuel Adams reading one of those signs on the front door of a CVS pharmacy in Houston telling you HOW to wear your firearm, instead of IF you can; try doing something like that in CVS's hometown of Woonsocket, Rhode Island and you'll get an entirely different reaction (feel free to give me a call if you need to be bailed out).

The Tenth Amendment is one of those strokes of civic brilliance that we have inherited from our forefathers. It is simply written, easily understood by the layman yet powerful enough that we could pick it up as a cudgel and beat the snot out of the Federal Government with it.

How about you?

I think a reasonable goal for the efforts of Tea Party/Conservatives would be to reduce the size of the Federal Government to approximately one quarter of what it is right now.

Entire departments would be shuttered completely and permanently - Commerce, EPA, Education would be first on my list. How about the Federal Reserve? There's another one.

The budget would be balanced Constitutional amendment. Debt would be eventually eliminated and Constitutionally prohibited. The Sixteenth Amendment would be repealed - revenue would stream into government coffers through a sales and service taxation system - and citizens would have to pay those taxes in full at the time they bought something, not through a deceitful withholding system like the one we endure now.


Ownership of even one share of corporate stock by the government would be prohibited - no more bailouts of any kind whatsoever - that's what the concept of bankruptcy is all about.

Power, scope and responsibility would revert to the states.

And Washington will become a nice place to visit instead of a cesspool of corruption and villainy.

And if somehow we can figure out how to make Barack Obama, Nancy Pelosi and Harry Reid permanent residents of Leavenworth, Kansas in the process, all the better. They so richly deserve a nice long vacation from all their hard work destroying our Republic.

54 people liked this.

 **Amyryn** 4 hours ago \_\_\_\_\_

Very nicely said. On Leavenworth, Kansas, I couldn't agree more.

3 people liked this.

 **joesolargenius** 11 hours ago \_\_\_\_\_

I agree with you on sending the three stooges to leavenworth and liked the article but they mistated something concerning thier civil court system, I was rear ended at a stoplight by the driver of a business vehicle who did not have a driver license.I told thier insurance company (allstate) that if they would just pay my medical bills (\$4,637.00) directly to the doctor not me then I wouldn't sue them at which point they laughed at me. It seems you can't sue an insurance company in Texas in 1998 ,you can't even mention the word insurance or they will toss the case. You can only sue the car owner and if you win then the insurance company pays the claim. Lawyers won't take small cases and the insurance companioes won't pay for minor injuries because of this.

6 people liked this.

 **GeorgeStGeorge** 8 hours ago

Gov. Perry has done a good job maintaining a conservative business climate in Texas, but he has a few albatrosses hanging around which would weigh against him in a Presidential run. He was elected in 2006 because he promised to secure the border, and then did nothing. In fact, he drove the campaign for an interstate highway through Texas from Mexico, and arranged for Mexican companies to build it. As opposed to limited government intervention, he tried to require all teenage girls to get the HPV vaccine. His executive order was overturned by the legislature.

He beat our RINO Senator in the 2010 primary and a screaming socialist in the general election. I'd vote for him against Obama (I'd vote for an empty soup can against Obama); but he's definitely no "lock."

12 people liked this.

 **Sweetrae aka: LeAnn** 1 hour ago

My husband and I are looking to move to Texas from MN. The midwest will be a Detroit because the states that have democrat govornors just can't hold the idea in their empty skulls that if you tax,tax, and tax the so-called "rich" in the state, they will leave and people who can't find jobs in those states will go to more tax and business friendly states also.

2 people liked this.

[mikefromArlington](#) 3 hours ago

This jerk encourages outsourced labor and international countries to come in and do business on the cheap while our labor forces suffer.

Plus, the state is billions in the hole. What kind of example is that?

3 people liked this.

**Niniane** 7 hours ago

California has a lot to learn from Texas, but I doubt Gov. Moonbeam will listen. And with all these companies moving in or expanding, I just hear the pitter-patter of illegals coming for those jobs. But, I should not be so cynical as Obama promised us the border is secure.

5 people liked this.

**Randy Shackelford** 1 hour ago

Let's (once again) get the facts straight.

Texas has a very regressive tax system, depending mainly on sales and property taxes. This means that the poor and the working class (and the middle class) pay a far larger share of their income in taxes than the rich do.

- \* Texas has the largest number of low-wage (and low-benefit) workers of any state in the nation.
- \* Texas is the biggest polluter in the nation (and if it was a country would be the seventh largest polluter in the world).
- \* Texas has the largest percentage of its citizens without health insurance of any state -- about 30% of its population.
- \* Texas is among the worst "per pupil" funders of public education in the nation (and will be even worse after the education cuts being made in the current legislative session).
- \* Texas currently has one of the biggest budget deficits in the nation -- about \$27 billion for the next biennium.
- \* Texas has the largest prison population in the nation (and executes more people than any other

state).

- \* Texas is seventh in the nation in the percentage of its population living in poverty.
  - \* Texas leads the nation in the percentage of high school drop-outs (about 30%).
  - \* Texas is among the state leaders in teen pregnancy -- and is first in teen second pregnancies.
- Yes, Rick has done a wonderful job of doing what republicans do best, make the rich richer and the poor poorer.

1 person liked this.



**magzie01950** 7 hours ago

Governor Rick Perry should run for President. Our country needs a good man like him to lead us out of this Black Hole that Obama and his gang of democrapts have created...

2 people liked this.



**Richard** 2 hours ago \_\_\_\_\_

"Black Hole." Unintended pun? Or deliberate....lol



**magzie01950** 2 hours ago \_\_\_\_\_

Now tht you've brought this up. It was completely unintended. But then again someone always has to bring race up when it concerns blacks. I'm sick of that too...

1 person liked this.



**Jason Johnson** 8 hours ago

"God bless Texas." Since high school, I have had the utmost respect for Texas (I now live 10 miles from the Texas state line). I hope my governor (Susana Martinez) will take a page from Perry's playbook.

1 person liked this.



**Reno Rivera** 13 hours ago

ha

Real-time updating is **enabled**. ([Pause](#))

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