Gov. Rick Perry's Remarks At The Golden Crescent Regional Economic Development Summit

*Note - Gov. Perry frequently departs from prepared remarks.

Wednesday, August 11, 2004

Thank you Chairman Rath for that warm welcome. It is so good to see your outstanding State Representative, an ally when it comes to jobs and education, Geanie Morrison. If you had not met Railroad Commissioner Victor Carrillo before today, now you know why I appointed this outstanding individual to serve this great state. It is good to be in the company of Victoria Mayor Will Armstrong, and all the local city and county officials here today from the Golden Crescent Region.

Let me say a special thanks to Dr. Goodson, the president of Victoria College, for opening the doors of this campus to this important strategic initiative, and to Dale Fowler, the president of the Victoria Economic Development Corporation, who didn't blink an eye when we informed him that my schedule had to change today because of a funeral service.

The Golden Crescent is a great place to live, raise a family, and find a better future. and the message we want to send to employers from all across this nation is this: if you come to Victoria, or the surrounding area, you will never want to leave. The quality of life is too good, and the taxes are too low, to go anywhere else. You are wise to come together to discuss your economic future. Texas is on the leading edge of the national economic recovery, and is the front porch to the Latin American marketplace.

As Chairman Rath will tell you, Texas has experienced job gains for nine straight months, meaning there are 112,000 more jobs that have been filled since last fall. In the first quarter of this year, exports to Mexico have jumped up 22 percent. There are now 12 separate industries in Texas that export more than a billion dollars worth of goods and services to Mexico. And we have surpassed California as the leading exporting state in the nation, with much higher export totals to nations in Asia and Europe as well as Central and South America.

Creating jobs through trade is about much more than the goods we ship abroad, that's just one half of the story. We also create jobs when foreign-owned companies decide to invest in Texas, companies like Samsung, which is building a half billion dollar chip plant in Austin, and Toyota, which is building its 6th North American plant just up the road in San Antonio. What is great about an auto investment, in addition to the 2,000 jobs created directly on site in the case of Toyota, is the tremendous economic ripple effect felt across the state. More than 1,000 spin-off jobs among suppliers and service companies have already been announced because of the Toyota investment. Last week I traveled more than four hours north of San Antonio to Ennis where 200 jobs are being created by Koyo, which makes
steering equipment for Toyota and other manufacturers. And I bet it is just a matter of time before the Toyota ripple effect brings jobs to the Golden Crescent region too, if anything, just because you all are working it so hard to make it happen.

To me, job creation is about much more than new revenue to fund government spending, it is about creating opportunities for families so they can afford their dreams. 18 months ago, in the midst of some very tough economic times and budgetary decisions, we came to a crucial crossroads: we could have asked families and employers to pay more so government didn't have to do with less; But we took a different path, the path to fiscal responsibility, balancing our budget without raising taxes, and without adding to the burden of Texas workers.

Some were clamoring for a personal income tax. I say passing a personal income tax is the smartest thing we have never done. Others have been clamoring for an assortment of new taxes on employers. And while I am open to changing our tax system for employers, and have proposed closing loopholes in the franchise tax, I think we should resist new taxes that jeopardize new jobs, and existing ones too. Tax hikes that kill jobs also kill the tax revenue that fund schools and other priorities. It is simple economics 101 summed up by an old saying: “don't bite the hand that feeds you.” Those who talk about taxing business would be wise to remember an observation once made by President Reagan: businesses don't pay taxes, people do.

Higher taxes on employers get passed on in the form of higher prices for the customer. Or maybe the employer is forced to sustain a smaller profit margin, meaning someone often loses their job. Either way, when taxes get raised on employers, real men and women pay the price, not some faceless entity. My point to legislators last year was this: let's not tax jobs, let's invest in jobs. And they listened. That's why we created the $295 million Texas Enterprise Fund.

This job creation tool has already led to several job announcements that will bring thousands of new jobs, and billions of dollars in new investments to Texas. It helped us secure a $3 billion investment by Texas Instruments, and a corporate headquarters relocation by Citgo, which is not only moving hundreds of jobs to Houston, but investing $828 million in refinery enhancements just down the road in Corpus Christi.

The enterprise fund is not only helping large urban areas, it is helping small and medium-sized towns too. Buda is not just a religious figure, it’s a small town in Central Texas that is getting a new Cabellas with the help of Enterprise Fund dollars. New Braunfels got some help to attract the Home Depot Corporation, Ennis to attract Koyo, and Brownwood to create more cable and fibreoptics jobs. And if Victoria hooks a prospective employer on the line, call my office and we will see what we can do to help reel them in.

As many of you know, economic development efforts for the state were merged into the governor's office last year. In fact, when they joined our office they came with about half the staff and twice the mission. And they’re doing a heck of a job, negotiating with employers looking to grow in Texas. The thinking behind that move was that the CEO's of companies looking to expand and relocate in Texas should be able to visit and negotiate with the state's top CEO, the governor. And that's not just because it's me, this will be an important tool for all future governors, Republicans and Democrats alike.

What this change means is a city like Victoria that is vying for a new employer can contact the governor's office to help negotiate the deal, and possibly provide incentives. And as long as you're not in direct competition with another Texas city for a project, and as long as that project meets job specifications we require, we will not only use the bully pulpit of my office to attract those jobs, we may provide Enterprise Fund dollars, or other incentives, too.

Let me talk about one other thing we did last year that will create hundreds of thousands of new jobs over time: we
freed employers from much of the cost associated with defending against frivolous lawsuits with the most sweeping
lawsuit reforms in the nation. In the past, defendants were forced to post bond for an amount equal to the jury
verdict. If a corporation was hit for a multi-million dollar verdict, they would often have to liquidate their assets just to
get their day in an appeals court. That's unfair, and detrimental to the preservation of jobs in Texas, so now we have
instituted fair limits tied to the defendant's net worth.

We passed class action reforms, including ending the scam where the lawyers receive a monetary payment while the
clients receive payment in coupons. From now on in Texas, if the clients get paid in coupons, the lawyers do too!

We passed a new offer-of-settlement law. If a party refuses a settlement offer, and receives significantly less from a
jury than what was offered at settlement, they will pay the other side's legal fees and costs from the date of their
refusal. This reform will help unclog our court dockets, leaving valuable court time for cases with true merit.

Lawsuit reforms, along with our low-tax and reasonable regulatory climate, stand to make Texas the leader in
attracting jobs, investment and opportunity. And when more everyday, hard-working Texans experience opportunity,
we generate more revenue for schools, healthcare and transportation, and build stronger families that can more easily
afford to send their children to college, and invest in the needs and desires of their choosing. We can build a better
Texas one new job at a time. That's my goal as governor, and I applaud your commitment to the same mission.
Thank you, and God bless you all.