Gov. Rick Perry’s Remarks at the East Texas Economic Development Summit

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

Wednesday, November 17, 2004

Thank you. Walter Diggles is helping to bring greater opportunity to the people of Texas not only through the Deep East Texas Council of Governments, but also as a leader in a volunteer organization I established called the One Star Foundation. It is great to see your outstanding State Senator, a key ally when it comes to jobs and education, Todd Staples. Senator, thank you for investing in the future of this district and for hosting this important summit. And I want to thank the leadership of the Pineywoods Economic Partnership, as well as the business and community leaders with us today, for working to create greater opportunity and prosperity for the people of East Texas.

East Texas 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 East Texas 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 plan for your economic future, because as the saying goes, you’ve got to strike while the iron is hot. And right now our economy is certainly heating up. The data shows that Texas is helping to lead the national economic recovery with 123,700 jobs added in the last 12 months. Last year, we attracted nine of the 20 largest capital investments in the nation, including a new Toyota plant in San Antonio and a $3 billion expansion by Texas Instruments. This year we announced the largest job expansion nationwide in the first quarter when Vought Aircraft announced it would consolidate operations and bring 3,000 additional jobs to North Texas.

Texas is the central hub of commerce in the Western Hemisphere. We are the largest exporting state in the nation recently surpassing California. We export $42 billion in goods and services to Mexico alone with 12 separate industries in Texas exporting more than $1 billion in products and services to Mexico. In the first quarter of this year, exports were up 22 percent to Mexico and even higher to nations in Asia and Europe. To create more jobs, last year we passed the most sweeping lawsuit reforms in the nation. My philosophy is simple: every dime a business spends defending against a frivolous lawsuit can be better spent creating jobs for Texas families. We passed class action reforms a new offer of settlement law and capped non-economic damages in medical malpractice lawsuits. One respected economist estimated that our lawsuit reform measures will eventually lead to the creation of more than 240,000 permanent jobs and add $36 billion to the Texas economy.

We also have one of the most aggressive job creation funds in the nation the $295 million Texas Enterprise Fund which has helped us secure growth in fields like information technology and biotechnology. So far, the Enterprise Fund has helped us close deals that will create over 14,000 new jobs and pump almost $6 billion into our economy. And it
should come as no surprise that I will be asking lawmakers to reauthorize this important job creation tool in the next legislative session. When it comes to Texas Enterprise Fund investments every region of the state is eligible to benefit. And we are not only looking out for jobs in big cities but smaller and mid-sized towns too. The Enterprise Fund recently helped us convince Lee Container Corporation to bring a new plastics manufacturing plant to Nacogdoches that will provide 105 jobs for local families, provide new revenue for local schools and roads, and keep the East Texas economy headed in the right direction. All told, Lee Container will make a $5.6 million investment in the Texas economy.

The Enterprise Fund helped us secure a $227 million investment by Huntsman, which is not only creating hundreds of jobs for families a couple of hours south of here in The Woodlands but also investing millions of dollars in its Port Neches and Odessa facilities. The small Central Texas town of Buda is getting a new Cabellas with the help of Enterprise Fund dollars which will draw millions of tourists to Texas. New Braunfels got some help to attract Home Depot Corporate jobs Ennis to attract a new auto parts supply manufacturer and Brownwood to create more cable and fiber-optics manufacturing jobs. And if Lufkin or any other East Texas town 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 Lufkin 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.

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 live the American dream. Last year, in the midst of some very tough economic times and budgetary decisions, we came to a crossroads. We could have asked families and employers to pay more so government didn’t have to go with less. But we chose a different path: the path to fiscal responsibility. We bridged a $10 billion budget gap without raising taxes. We spent less in general revenue for the first time since World War II. We built our budget from the ground up, starting from zero, and reexamining every tax dollar we spent. And we did all this while still funding priorities, including $1.2 billion more for education because education is the fuel that provides the power for the turbines of economic progress.

As we look to the future and reforming our public schools and the way we pay for them, we must remember that the school finance challenge is not simply about cutting property taxes or eliminating Robin Hood. It is not merely an exercise in tax accounting or changes to the Byzantine school funding formulas. It is first, and foremost, about providing a great education for every child. Education is the great social equalizer. It can lift people out of poverty, open new doors of opportunity and it is as important to the long term health of our economy as any job creation program. Education and economic development are two issues that are inextricably linked. Better education leads to more job creation, job creation leads to the creation of wealth, the creation of wealth leads to more revenue and more revenue leads to better funding for education and other priorities. It is true that employers are willing to pay a price for better schools and I am open to alternatives that are fair to business taxpayers and that don’t harm job creation. But it is equally true that the price for better schools cannot be paid in lost jobs and lost revenue. At the end of the day, I am confident that we will find a solution to school finance that will serve as a model to the nation.

In Texas, we are proving that the right combination of good schools, fiscal responsibility, incentives and lawsuit
reforms is the best recipe for economic growth. And observers are taking notice. This month Site Selection magazine named Texas the number one state to do business, citing our low tax rates, our commitment to public education, the success of the Texas Enterprise Fund and our groundbreaking lawsuit reforms. The economic outlook for the state of Texas has never been better. We are building 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.