Gov. Perry Remarks to the Dallas Regional Chamber

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

Tuesday, October 21, 2008

Thank you, Tom [Sanchez, VP and President of Licensing and Standards, Research in Motion] for that kind introduction.


I look forward to seeing y'all in Austin come January; we're going to get some real work done together.

When you and your peers gather for the 81st session of the Texas Legislature, you will be balancing some unique opportunities and challenges as you consider our state's course over the next two years.

On one hand, you will have the resources that flow from a state that has experienced remarkable economic health for the past few years.

On the other, you will be dealing with the impact of two significant storms that have rattled our state over the course of the past month, and I'm not talking about Tony Romo's broken pinkie.

The first storm was Hurricane Ike, a weather system that hammered the coastal area, taking lives, destroying homes and crushing businesses.

For more than a month, the folks in southeast Texas have been digging out from underneath Ike's damage…and it was pretty significant.

When the sun came up on the morning of September 13, there were more than 2.8 million people without power, some communities literally washed away, and thousands of people in dire need of rescue.

Fortunately, part of our coordinated, statewide effort included pre-positioning the largest search and rescue force in Texas history, so we were ready to start getting people out of harm's way.

Our private sector partners were also ready and rolled right into action. Texas-based power companies, supplemented by crews from all over the country, worked 'round-the-clock to restore power.

Our fuel team not only bumped up supplies before landfall, but they kept the gasoline flowing afterwards as well. Retailers like WallMart and HEB moved ice, food and water into the area, and worked tirelessly to get stores back online and conditions moving back toward normal.
Communities all over the state, including many in the Metroplex, opened shelters and took in more than 42,000 Texans who could not stay in their own homes.

We have all heard story after story of Texans going the extra mile to help their neighbors…but that’s how Texans handle crises.

The crisis continues as we begin to get a grip on the financial impact Hurricane Ike had on Texas. We won’t know Ike’s total cost for some time, but I expect it will far exceed the $11.2 billion that we requested from Congress.

When you consider the resources devoted to dealing with the storm, the cost of countless lost business days, destroyed homes and shattered businesses, the price tag will be a hefty one, and that doesn't even begin to address the tragic loss of life.

To that end, we have kept steady pressure on FEMA to ensure we get reimbursements on par with those Louisiana received after Katrina.

Regardless of how much federal aid we receive, how thoroughly insurers fulfill damage claims, or what resources families and businesses can draw upon to rebuild, it’s financial impact will be with us for a while.

If that weren’t enough, a storm of a different kind unleashed its fury on the world’s financial markets just after Ike roared ashore.

After years of irresponsible borrowing and lending, our nation's credit markets essentially imploded, and left the American people holding the bag.

Now there may be differing opinions in this room on whether or not it was a good idea for Congress to divert our hard-earned tax dollars, toward a bunch of mismanaged companies, insulating them from the consequences of their rash behavior.

However, I personally would not describe a $700 billion corporate bailout as the free markets at work.

No matter what you think of the bailout, the truth remains that this financial storm has left credit very, very tight.

Whether you lead a business that was ready to expand, a family that was planning to buy a new home or car, or a local government that is recovering from Ike, we are all being affected by the current financial unrest.

As a result, Texas businesses and families are tightening their belts, cutting spending, exercising greater discipline, taking a closer look at the difference between a want and a need.

In times like this, state government should be no different. That is why I have asked the heads of executive branch state agencies to cut as much discretionary spending from their budgets as they can.

In a recent letter, I directed them to start by curtailing taxpayer-funded travel, and asked them to get back to me on other cuts they will make for the remainder of this fiscal year.

As you know, I’m a guy who prefers local solution for local problems, so I will leave the details up to the executive directors and board chairs of these agencies, but they need to keep one very important thing in mind. Given the growing impact of the economic downturn on Texas, all state agencies need to dial back spending, and they have until the next week to let me know how they’re going to do it.

I am also starting conversations with employers and business groups across the state. I want to learn firsthand what they’re seeing on the sales floor, at their cash registers, and in their accounting departments, so we can stay ahead of this situation.
Do I think this is time to panic? Absolutely not.

However, we are called to be good stewards of the resources entrusted to us by Texas taxpayers. As such, we are obligated to not only monitor the outside forces affecting our economy, but deal with them proactively.

We have been proactive throughout the years, making tough choices that have helped our state attain the overall strength we enjoy today.

We heard a chorus of complaints in 2003 when we tackled a $10 billion deficit by reducing spending instead of raising taxes. We made a lot of lawyers unhappy when we reformed a legal system that was driving people out of business and doctors out of the state.

We pushed back on a variety of interests as we have advocated for a regulatory environment that is predictable and reasonable.

The beating we took in the press was worth it. Our economy is better equipped than any other state to handle the two storms that have roiled the financial seas around us.

Texas still leads the nation in job production, and Dallas has followed suit, adding nearly 2,000 jobs last month and more than 39,000 over the past year.

Texas leads the nation in exports, and the Dallas area plays a key role in that, with more than $22 billion worth moved in 2006.

Texas is also home to more Fortune 500 headquarters than any other state, including Dallas-area giants like Exxon-Mobil, AT&T and Southwest Airlines.

On the financial side, Texas has the lowest loan default rate of any large-population state, and an unemployment rate that was well below the national average in the most recent reports.

Just last week, the Financial Times published a study titled “which states are suffering most” and concluded that Texas is suffering least.

They ranked us number one overall, based on our national lead in categories like the growth rate of annual income, employment (where we’re tied with Wyoming), and gross state product.

I am still bullish on Texas because our foundation is strong and our future is bright.

I am convinced that the strength of our workforce, the health of our business climate, and the freeing effect of our low taxes will carry us through this tough time.

In the upcoming legislative session, I want to continue leading the charge for further improvements in our state’s financial position and personal safety.

On the money side, we need to continue our conservative fiscal approaches by limiting the growth of government.

It will be a while before the Comptroller is able to tell us the specific impact of the two storms we’re dealing with. However, we need to apply the mindset that has made us the model for the rest of the nation: plan for the worst, pray for the best.

That’s why I believe that we should ensure budgets do not grow faster than our population and inflation. That number gives us a pretty strong indicator of where the line lies between a want and a need.

I also believe that we should push for greater truth in budgeting; so that we can spend tax dollars only for the purpose
For example, I believe the Department of Public Safety should be funded out of general revenue, not gas taxes. That would free up $600 million per year for construction and maintenance of our state’s transportation infrastructure.

I also believe we can and should insist on even greater transparency on government spending, at the state and local level. The checkbook registers for all state agencies, including my office, have been online for a while now, thanks to the efforts of Susan Combs and her folks at the Comptroller’s Office.

Good things will happen when local governments follow the lead of the trailblazers in Collin County who made theirs the first county in the nation to put their check register online.

When people can see where their dollars go, they are much more likely to involve themselves with government…and that’s a good thing.

When it comes to the safety of our citizens, I will also press for a continued investment in the security of our borders. In 2007, the Legislature agreed when they allocated $110 million for border security. Their bold investment allowed us to put more boots on the ground and led to a 65% drop in border county crime between ports of entry.

We have made our communities safer, at the border and across the state, by choking off transit routes for those criminals trafficking in drugs, human lives and other contraband.

As we have clamped down on the border, Mexican drug cartels have enlisted the aid of several transnational gangs and invested in their growth across the state.

In this next session, I hope the Legislature will continue our state’s commitment to securing the border, and ramp up our efforts to combat gangs across Texas.

These are just two of my priorities heading into the session, but I think they are crucial pillars of an approach that will continue to strengthen a state that is the envy of the nation.

As long as people like you continue to work hard, exercise financial discipline and keep an eye on the future, while expecting the same of those who represent you, Texas will continue to lead in the categories that matter well into the future. Thank you all for what you do for Dallas and for Texas.

May God bless you and, through you, may He continue to bless the great state of Texas.