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Texas Governor Rick Perry

INTRODUCTION

Rick Perry has been Governor of Texas since December, 2000, when then-Governor George W. Bush resigned to become President of the United States. Previously, Perry was elected Lieutenant Governor in 1998, served two terms as Agriculture Commissioner from 1990-1998, and was a State Representative from 1984-1990. Since Perry has never served in Congress, he does not have a rating by the Club for Growth. However, the Cato Institute, a free market think tank, produces a biennial scorecard on the nation's governors based on their tax and spending policies and actions. Over the last 10 years, Perry's scores were:

2010 – “B”
2008 – “B”
2006 – “B”
2004 – “B”
2002 – N/A (Took office too late to be graded)

TAXES

The Club for Growth is committed to lower taxes – especially lower tax rates – across the board. Lower taxes on work, savings, and investments lead to greater levels of these activities, thus encouraging greater economic growth.

A 30,000 foot level examination of Governor Perry's record on tax policy reveals several pro-growth elements. He shepherded large tax cuts through the legislature as Lieutenant Governor. He signed into law a large tax cut in 2006, and he pushed for changes in the Texas Constitution that would further restrain the government's ability to charge higher taxes. This is all on top of Texas already having a very low-tax environment. But Governor Perry does have some rather large blemishes in his record that must be noted.

The first one took place in 1987 when Perry was a Democrat and a member of the Texas House of Representatives. He voted for¹ what at the time was the largest state tax increase in American history – a \$5.7 billion tax hike signed into law by then-Republican Governor Bill Clements.² The tax bill included increases in the sales tax, cigarette tax, hotel occupancy tax, and franchise tax.³

Perry's second blemish on tax policy was his first budget as Governor. In 2003, facing a \$10 billion budget gap, Governor Perry's budget cut spending and⁴ didn't raise taxes. It did, however, raise millions of dollars in "revenue adjustments, surcharges, and fees,"⁵ including new fees on nurses, crematoriums, home builders, and alcohol licenses for a grand total of at least \$2.68 billion in new revenues over two years.⁶ It is true that increased fees are not the same as broad-based tax increases, but they are anti-growth and serve the same purpose of funding government.

Perry's third blemish on taxes could also be paradoxically one of his crowning pro-growth achievements. In 2006, Governor Perry signed the largest tax proposal of his tenure - a major overhaul of the Texas school property tax system. The property tax cuts, worth about \$6 billion, were initially proposed in 2004 along with an anti-growth \$1 cigarette tax hike⁷, and various fees like a "sin tax", but the legislature didn't pass it.⁸⁹ So, in order to pass the property tax cut in 2006, Perry supported adding on a very anti-growth "gross receipts tax," or a tax on gross revenues of Texas companies, which at the same time eliminated the corporate income tax.¹⁰ The new taxes "nearly tripled the amount that Texas collected from businesses."¹¹ Before 2006, the "franchise tax," or income tax, was 4.5% of profits, but the new version, "often called the margins tax, reduced the rate to 1 percent while broadening its application. Now, the tax is applied to the annual revenue of qualifying companies minus one of three options: the cost of goods sold, employee compensation or 30 percent of total revenue."¹²

According to Dale Craymer, president of the Texas Taxpayers and Research Association, Perry's bill "raised some taxes (franchise, cigarette, motor vehicle sales taxes) and lowered others (property tax) by much more."¹³ The Cato Institute noted that the "gross receipts tax" signed by

¹ Austin American-Statesman, 5/27/05

² Associated Press, 7/22/87

³ Texas Comptroller's Office

⁴ <http://www.cato.org/pubs/pas/pa537.pdf>

⁵ Dallas Morning News, 6/3/03

⁶ Texas State Comptroller, "New State Laws: Fees, Charges, and Out-of-Pocket Expenses. Impact on Texan's Lives and Livelihoods." August 2003. <http://www.window.state.tx.us/taxbud/newfees/newfees.html>

⁷ Cato Institute, Fiscal Policy Report Card on America's Governors: 2006

⁸ Houston Chronicle, 3/15/07

⁹ San-Antonio Express-News, 4/23/04

¹⁰ Associated Press, 5/18/06

¹¹ Dallas Morning News, 1/9/10

¹² Politifact.com, 1/14/10

¹³ Politifact.com, 1/14/10

Perry was “unnecessary... since the state was rolling in a \$4 billion budget surplus.”¹⁴ At the time, “Perry praised the [gross receipts tax] as a reliable source of funding for schools and fairer to employers than the previous loophole-ridden franchise tax,” and estimated the tax package to be worth an astounding \$15.7 billion in property tax relief over three years.¹⁵

While Governor Perry’s property tax cut legislation overall resulted in a \$1.5 billion net tax cut in the first year,¹⁶ many felt he should have fought for a property tax cut alone. The Cato Institute wrote in 2008 that “homeowners will receive property tax relief, but the plan really socked it to businesses. Further, the plan centralizes greater fiscal power at the state level, which will encourage government growth in the long run by stifling local tax competition.”¹⁷ Overall, Perry deserves credit for a net tax cut, but we agree that he should have fought harder against the anti-growth margins tax.

Despite these blemishes, Perry has a long positive track record on pro-growth tax policy. Cato reported that “as George W. Bush’s Lieutenant Governor, Rick Perry was a key player in getting Bush’s tax cuts passed.”¹⁸ Indeed, Perry presided over a small GOP majority in the State Senate that passed property, sales, and business tax cuts totaling nearly \$1.85 billion and which were signed into law by Governor Bush.¹⁹

In 2007, Governor Perry campaigned for a constitutional amendment that further lowered property taxes for senior citizens who were not affected by the original property tax cut legislation of 2006.²⁰

Overall, Perry has maintained Texas’s already superb tax climate relative to other states. Texas collects no personal income taxes nor does it collect corporate income taxes (but it does have the anti-growth margins tax).²¹ In fact, the Texas Constitution restricts the ability of Texas to even impose an income tax.²² The non-partisan Tax Foundation estimated that the state and local tax burden in Texas in 2009 ranked 45th out of the 50 states and was lower than all four states bordering it.²³ Governor Perry has often bragged of stealing jobs from California²⁴ (6th out of 50 in the Tax Foundation Study) and in 2011, one California city actually paid for television ads calling on the California legislature to protect jobs from migrating to Texas.²⁵

¹⁴ Cato Institute, Fiscal Policy Report Card on America’s Governors: 2006

¹⁵ Associated Press, 5/18/06

¹⁶ Cato Institute, Fiscal Policy Report Card on America’s Governors: 2006

¹⁷ Cato Institute, Fiscal Policy Report Card on America’s Governors: 2008

¹⁸ Cato Institute, Fiscal Policy Report Card on America’s Governors: 2004

¹⁹ Dallas Morning News, 6/1/99

²⁰ El Paso Times, 5/12/07

²¹ Tax Foundation, The Facts on Texas’s Tax Climate.

²² Constitution of the State of Texas, Article 8

²³ Tax Foundation, State and Local Tax Burdens: All Years, One State, 1977-2009

²⁴ San Francisco Chronicle, 2/11/11

²⁵ WFAA-TV, 6/10/11

Facing a Republican Primary in 2010, and with speculation about a Presidential bid mounting, Perry moved even further in the pro-growth direction on tax policy. In 2010, he proposed a state constitutional amendment to require a two-thirds legislative vote in order to pass a tax increase.²⁶ In his 2010 book “Fed Up!” Perry wrote that the American people “are fed up with tax credits that amount to pure giveaways to certain citizens at the expense of others – the government picking winners and losers based on circumstance and luck with no real benefit to the economy.”²⁷ Governor Perry also wrote in his book that he supports scrapping the current tax code and replacing it with a Flat Tax or the Fair Tax.²⁸

SPENDING

The Club for Growth is committed to reducing government spending. Less spending enhances economic growth by enabling lower taxes and diminishing the government’s economically inefficient allocation of resources.

Governor Perry’s record on spending generally reveals fiscally conservative tendencies and a commitment to reducing the size of government that are in tune with the conservative nature of a state like Texas. However, Perry has also created well-intentioned, but misguided state-funded subsidy programs to attract corporations to Texas that again indicate that Perry doesn’t necessarily fully rely on free-market principles when he makes economic decisions.

On the good side, Perry rejected \$555 million of Obama’s stimulus money for unemployment assistance,²⁹ but like most governors, he did accept most of the money slated for his state – for Texas it was almost \$17 billion.³⁰ He has proposed a Balanced Budget Amendment to Texas’s constitution that would limit the growth of spending to population plus inflation.³¹ With Texas facing a massive budget deficit heading into the 2012-2013 biennium, Perry worked to pass a budget that cut spending by 8% from the previous budget and did not raise taxes.³²

State spending grew from \$30 billion in FY2002, the first half of the biennium budget passed under Perry, to \$39.4 billion in FY2010, a 31% increase in nominal terms over the nine years. However, when looking at Texas’s spending on an annualized basis, spending increased an average of 3.9% per year, which is excellent compared to the state’s average annual population plus inflation growth rate of 4.2% over the same time period.³³

²⁶ Politifact, 7/7/11

²⁷ *Fed Up!*, Pg. 6

²⁸ *Fed Up!*, Pg. 183

²⁹ Houston Chronicle, 3/12/09

³⁰ USA Today, 3/12/09

³¹ Governor Rick Perry, Press Release, 1/6/10

³² Politifact, 7/8/11

³³ U.S. Census; Bureau of Labor Statistics; Texas Legislative Budget Board Records

One reason for the slow growth of state spending was because Governor Perry made frequent use of his veto power. Another is the existence of a conservative Texas legislature. During his tenure as Governor, Perry vetoed hundreds of millions of dollars worth of spending, perhaps even a lot more. It is important to note that it is difficult to give Perry credit for a specific dollar amount of vetoes due to the complexities of the Texas budget process. Some of the Governor's vetoes were on spending bills contingent on bills previously struck down by Perry. Other vetoes killed legislative language from budget bills which authorized spending from separate bills that never passed. Regardless, a review suggests that Perry did aggressively look to cut spending with his veto pen.³⁴

On the bad side, however, Perry has also aggressively used government spending to attract jobs to Texas. During his time in office, Perry has signed into law two major economic development initiatives, the Texas Enterprise Fund and the Texas Emerging Technology Fund.

The Texas Enterprise Fund, established at Governor Perry's request in 2003³⁵ has doled out \$426 million since its inception to attract businesses like JP Morgan Chase and Frito-Lay.³⁶ A similar program, the Texas Emerging Technology Fund, was created in 2005 and signed into law by Perry. That fund has doled out \$259 million in capital for "cutting-edge research and technology" entrepreneurs.³⁷ Economic development initiatives like these, often supported by big business, create huge market distortions in a place that should naturally be a nationwide leader in attracting jobs. Texas doesn't need to provide \$1.4 million in taxpayer dollars to Facebook, as the Texas Enterprise Fund did in February of 2010³⁸ - it can simply point to a positive regulatory and tort climate along with a strongly competitive tax climate.

These gimmicky subsidies are a form of corporate welfare, and they're similar in effect to the tax credits decried by Perry in his 2010 book. This suggests that Governor Perry is more pro-business than he is pro-free markets.

Writing in his book, "Fed Up!," well after their passage, Perry was highly critical of President Obama's stimulus bill, President Bush's 2008 mini-stimulus, TARP, and the bailouts of the auto industry, AIG and Fannie Mae and Freddie Mac.³⁹ But in the same breath, Perry indicated that he probably would have supported the massive expansion of government into the economy that occurred under President Bush because Bush's vision for them was that "they should be temporary":

Indeed, this big-government binge began under the administration of George W. Bush. But, for those who believe there is no distinction between the Republican

³⁴2001 SB1, 2003 HB1, 2003 HB2425, 2003 HB3175, 2005 SB1, 2007 HB1, 2007 HB15, 2009 SB1, 2011 HB1

³⁵ Texas Enterprise Fund Website

³⁶ Texas Enterprise Fund, 2011 Legislative Report

³⁷ Annual Report to the Texas State legislature on the Texas Emerging Technology Fund, January 2011

³⁸ Texas Enterprise Fund, 2011 Legislative Report

³⁹ *Fed Up!*, Pg. 71

and Democrat Parties, consider the current state of things. Even though I disagreed with President Bush on certain policies, he took interventionist steps reluctantly and with a vision that they should be temporary. He famously said in a moment that caused many of us to cringe, “I’ve abandoned free-market principles to save the free-market system.” But what he intended to do on a temporary basis, the current regime is pursuing as permanent policy.⁴⁰

It is unclear how Governor Perry could seriously believe that TARP or any of the other bailouts passed under President Bush were somehow better because President Bush didn’t want to do a lot of them.

ENTITLEMENT REFORM

America’s major middle-class entitlement programs are already insolvent. The Club for Growth supports entitlement reforms that enable personal ownership of retirement and health care programs, benefit from market returns, and diminish dependency on government.

Governor Perry has worked to reform entitlement spending and rein in costs, but again he has some clunkers in his record. For example, in 2002, Perry proposed requiring insurance companies “to offer a prescription drug plan for the 10 Medicare supplemental policies sold in the state.”⁴¹ While the cost would have been paid for by seniors, this plan was just another mandate on insurance companies. Also, while Perry has suggested that as Governor he would veto an expansion of SCHIP in Texas,⁴² he has indicated past support for the program.⁴³

Overall, Governor Perry deserves praise for some noteworthy attempts to rein in the cost of entitlement programs in Texas. In 2003, he signed SB 541 which allowed “Consumer Choice” Plans to allow health insurers to offer coverage without including all coverage mandates, especially notable because Texas has the fourth largest number of health care mandates of any state.⁴⁴ In 2011, Perry signed SB7, which calls for the establishment of a health care compact between Texas and other states and expands managed care within Medicaid.⁴⁵ It was estimated that this bill could save Texas nearly \$468 million over two years.⁴⁶

⁴⁰ *Fed Up!*, Pg. 72

⁴¹ Houston Chronicle, 9/29/02

⁴² Houston Chronicle, 5/29/09

⁴³ Deputy Press Secretary Robert Black, Press Release, 7/1/04

⁴⁴ Council for Affordable Health Insurance Study,
www.cahi.org/cahi_contents/resources/pdf/MandatesintheStates2010.pdf

⁴⁵ Texas Insider, 7/19/11

⁴⁶ Reuters, 7/18/11

Governor Perry supports repeal of ObamaCare.⁴⁷ He called health care reform in Massachusetts “state-run”⁴⁸ and said that “the people of Massachusetts are free to try it while the rest of the nation sits back and watches to see if they have any success, and whether any success they do have is worth the price of losing liberty to get it.”⁴⁹ Governor Perry has referred to Social Security as a “Ponzi Scheme,” and a “failure,” and appears to support both personal accounts and letting Social Security devolve back to the states.⁵⁰

REGULATION

Excessive government regulation stymies individual and business innovation necessary for strong economic expansion. The Club for Growth supports less and more sensible government regulation as a critical step toward increasing freedom and growth in the marketplace.

Evaluating Governor Perry’s record on regulation is difficult due to Texas’s already stellar regulatory climate. It was named the #1 State to do business in by CEO Magazine in 2011 for the seventh year in a row, in no small part because of its regulatory climate.⁵¹ Nevertheless, Governor Perry has found ways to improve that climate further.

For example, he signed a bill into law that allowed public universities to set their own tuition rates.⁵² He also introduced sweeping deregulation into Texas’s telecommunications industry, which opened up markets to new broadband providers.⁵³ Governor Perry also has a well-documented record of fighting anti-growth climate regulation – including suing the EPA “to block it from regulating greenhouse gas pollution.”⁵⁴

However, Perry has taken a contradictory stand on energy production. He signed higher wind energy standards into law in 2005, mandating a minimum production schedule.⁵⁵ But at the same time, Perry has claimed that he is against both the tax credit for Ethanol and against mandating Ethanol production. The *Des Moines Register* reported that Perry is “against the Renewable Fuel Standard that mandates ethanol use....[Perry has] called for a 50 percent reduction in the RFS which now requires use of up to almost 14 billion gallons of ethanol.”⁵⁶

⁴⁷ *Fed Up!*, Pg. 175

⁴⁸ *Fed Up!*, Pg. 26

⁴⁹ *Fed Up!*, Pg. 31

⁵⁰ Huffington Post, 11/8/10; *Fed Up!*, Pg. 48-49; MSNBC, 11/5/10; CNN, 11/4/10

⁵¹ ChiefExecutive.net, <http://chiefexecutive.net/best-worst-states-for-business>

⁵² Associated Press, 6/22/03

⁵³ Tax Foundation, “Telecommunications Deregulation in Texas: An Analysis of the 2005 Competition Act.”, Dec. 2005

⁵⁴ Grist.org, 9/24/10

⁵⁵ Governor Rick Perry, Editorial, <http://governor.state.tx.us/news/editorial/16131/>

⁵⁶ Des Moines Register, 6/11/11

This is contradictory: Perry can't reasonably claim to be in favor of mandates for one type of energy production but not for others. He should clarify his position.

FREE TRADE

Free trade is a vital policy necessary for maximizing economic growth. In recent decades, America's commitment to expanding trade has resulted in lower costs for consumers, job growth, and higher levels of productivity and innovation.

Rick Perry has a long record of public statements in support of free trade. "NAFTA is the largest job stimulus packet to come along this decade," said then-Agriculture Secretary Perry in 1993, "Instead of building trade barriers against Mexico, we need to tear them down and make it as easy to trade with Mexico as Kansas and Nebraska."⁵⁷

"Export markets are the future of agriculture," Perry said in 1994. "NAFTA is one of the tools that we have gotten."⁵⁸ In 1993, he praised the GATT Agreement as a "good deal for Texas agriculture".⁵⁹ More recently, Perry has said that he will "be urging 'our friends in Washington' not to enact regulations that would hinder free trade."⁶⁰

Perry did support price supports for farmers as a candidate for Agriculture Commissioner in 1990,⁶¹ but he has also bashed Republicans for supporting tariffs on steel.⁶²

SCHOOL CHOICE

The Club for Growth supports broad school choice, including charter schools and voucher programs that create a competitive education market including public, private, religious, and non-religious schools. More competition in education will lead to higher quality and lower costs.

Perry has a lengthy record of support for school choice. For example, as Lieutenant Governor, he backed a "small-scale voucher program for about 149,000 low-income students in the state's six most urban counties."⁶³ As Governor, Perry pushed for Senate Bill 422, which would have started a pilot program for school vouchers for children who are "victims of school violence...economically disadvantaged, or who require special education."⁶⁴

⁵⁷ The Victoria Advocate, 10/7/93

⁵⁸ Dallas Morning News, 11/6/94

⁵⁹ Dallas Morning News, 12/16/93

⁶⁰ Associated Press, 6/12/11

⁶¹ Southwest Newswire, 10/24/90

⁶² *Fed Up!*, Pg. 146

⁶³ Arlington Morning News, 9/18/99

⁶⁴ FreedomWorks Press Release, 5/23/05

“They say school choice hurts public schools when in fact it does the opposite: it makes them better, as competition makes virtually all aspects of our life better,” said Perry in 2005.⁶⁵

In February of 2011, Perry declared himself “not a fan” of No Child Left Behind.⁶⁶ Perry’s Administration did not apply for the Obama Administration’s “Race to the Top” grants. In a letter to Education Secretary Arne Duncan, Perry wrote that “I will not commit Texas taxpayers to unfunded federal obligations or to the adoption of unproven, cost-prohibitive national curriculum standards and tests.”⁶⁷

TORT REFORM

The American economy suffers from excessive litigation which increases the cost of doing business and slows economic growth. The Club for Growth supports major reforms to our tort system to restore a more just and less costly balance in tort litigation.

Pro-growth conservatives looking for a champion on the issue of tort reform will be hard pressed to find a candidate with a better record than Governor Perry. Perry has long been a strong supporter of tort reform, and has been a major factor in turning around the state’s reputation as a haven for tort abuse. In the American Tort Reform Association’s (ATRA) 2002 report on “judicial hellholes”, four of the eleven counties mentioned were in Texas.⁶⁸ By 2007, an ATRA report said “In recent years Texas has been among the most innovative states when it comes to civil justice reform.”⁶⁹

Perry has signed pro-growth legislation for higher standards for asbestos claims,⁷⁰ obesity litigation reform⁷¹ and joint and several liability reform that raised defendants’ responsibility threshold to 50%.⁷²

In 2011, Perry signed House Bill 274, which implements a so-called “Loser-Pays” reform for frivolous lawsuits.⁷³ House Bill 274 also implements the following reforms:⁷⁴

⁶⁵ Remarks of Texas Governor Rick Perry, 2/9/05

⁶⁶ Houston Chronicle, 2/25/11

⁶⁷ Politico, 1/22/10

⁶⁸ http://www.atra.org/reports/hellholes/2002/hellholes_report_2002.pdf, p.

⁶⁹ <http://www.judicialhellholes.org/wp-content/uploads/2010/12/JH2007.pdf>, p. 37.

⁷⁰ Senate Bill 15, 2005

⁷¹ House Bill 107, 2005

⁷² House Bill 4, 2003

⁷³ Governor Rick Perry, Press Release, 5/30/11

⁷⁴ Governor Rick Perry, Press Release, 5/30/11

- Allows a trial court to dismiss a frivolous lawsuit immediately if there is no basis in law or fact for the lawsuit;
- Allows a trial judge to send a question of law directly to the appellate court without requiring all parties to agree if a ruling by a court of appeals could decide the case;
- Allows plaintiffs seeking less than \$100,000 to request an expedited civil action; and
- Encourages the timely settlement of disputes and helps prevent a party from extending litigation by seeking a "home run" if they have already been offered a fair settlement.

In 2003, Perry campaigned hard for the passage of a constitutional amendment that limited medical malpractice awards. The amendment placed “a legislative limit of \$750,000 per case on noneconomic claims for medical malpractice. Under this limit, a patient injured by faulty medical care can collect a maximum of \$250,000 from a doctor and an additional \$500,000 from one or more hospitals or health care providers for pain and suffering, disfigurement and other compensation. Awards for loss of income and medical expenses are not capped. The \$750,000 cap cannot be appealed to the courts. An especially controversial aspect of the amendment allows the Legislature to establish caps on other types of lawsuits if it approves them by a three-fifths majority.”⁷⁵ After the 2003 reforms, the number of insurance companies offering medical malpractice insurance soared 650%, leading to “a stampede of applications for physician licenses.”⁷⁶

POLITICAL FREE SPEECH

Maximizing prosperity requires sound government policies. When government strays from these policies, citizens must be free to exercise their constitutional rights to petition and criticize those policies and the politicians responsible for them.

Governor Perry seems to have evolved on political free speech. Over twenty years ago, Perry proposed that contributions to candidates for Governor should be limited to \$2,500 per person per year, according to the *Austin-American Statesman*. Perry now believes that “contribution limits impede free speech, and he no longer supports them.”⁷⁷ He has called the onerous McCain-Feingold Campaign Finance law an “unconstitutional...restriction of free speech.”⁷⁸

POLITICAL ACTIVITY & ENDORSEMENTS

Robust political activity is essential to producing a federal government that is more respectful of free markets and produces more pro-economic growth policies. The Club for Growth’s PAC has

⁷⁵ New York Times, 9/15/03

⁷⁶ <http://www.judicialhellholes.org/wp-content/uploads/2010/12/JH2007.pdf>, pp. 8-9

⁷⁷ *Austin-American Statesman*, 1/28/10

⁷⁸ *Fed Up!*, Pg. 146

been active in some of the more central battles within the Republican Party nominating process in recent years, supporting pro-growth candidates over pro-government ones.

Governor Perry was a registered Democrat until he switched to the Republican Party in 1989.⁷⁹ In 1988, Perry was the Co-Chairman of Al Gore's campaign for President in Texas.⁸⁰ In 2007, Perry endorsed former New York Mayor Rudy Giuliani for President,⁸¹ and then endorsed Arizona Senator John McCain after Giuliani dropped out of the race.⁸²

The Federal Elections Commission database reveals no individual, federal level contributions made by Governor Perry. However, he did endorse Conservative Party candidate Doug Hoffman for Congress in New York's 23rd Congressional District two days before RINO Republican Dede Scozzafava dropped out of the race. Perry's endorsement came after endorsements of Hoffman by Governor Sarah Palin, Senator Rick Santorum, and Governor Tim Pawlenty.⁸³

SUMMATION

When evaluating members of congress, it is somewhat informative to look at the partisan nature of their congressional district in the case of a House member or their state in the case of a Senator. When evaluating a Governor, it is even more instructive to judge performance in the context of the political climate of their state and the partisan and ideological composition of their legislature. Working in the environment in which a Governor finds him or herself, the operative question is often whether he or she improved or worsened the climate for economic growth.

The Texas tax and regulatory climate Governor Rick Perry inherited from Governor George W. Bush was already among the best in the nation. Further, during Perry's entire long tenure as governor, the Texas Legislature has had conservative Republican majorities. So the bar for judging Perry's performance should be set high.

It is quite clear that Perry did not move his state in reverse, or on the wrong course. In many instances, he merely maintained a positive status quo. In others, such as tort reform and regulations, he improved the Texas economic climate.

Still, his support for taxpayer-subsidized funds to lure jobs away from other states shows he has at times an interventionist streak rather than consistent free-market principles. His semi-apology for the big government interventions of President Bush suggests a similar inclination.

⁷⁹ Dallas Morning News, 10/11/10

⁸⁰ Dallas Morning News, 9/15/98

⁸¹ Associated Press, 10/17/07

⁸² McCain for President Press Release, 1/31/08

⁸³ Dallas Morning News, 10/29/09

Should Rick Perry become President, he will inherit a far worse economic climate than he has in Texas, as well as a less hospitable Congress than he has in the Texas Legislature. It is quite likely that Perry would seek to move the country in a much more pro-growth direction. Almost any movement in the direction of the Texas approach would be welcomed. However, given some actions in his record, it is questionable whether Perry will maintain his steadfast fiscal approach when faced with a less favorably inclined legislature than he is accustomed to.