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Dear Client:

Texas Gov. Rick Perry for president. C'mon. Get serious. Really? Well, maybe. Why not?

The reaction to Perry's comment that he will "think" about tossing his hat into the Republican presidential primaries slugfest, after earlier disavowing direct interest in running for president, has generated **speculation clear across the political spectrum**. Seems all the "speculators" think *they* know what he will do. Well, let's look at it from *Perry's* perspective.

To steal a campaign slogan from former candidate **Kinky Friedman** – "why the hell not?" **If you are Perry, ask yourself why not?** And the answer to that question gives you a probable scenario that will likely unfold the next few months.

First of all, **Perry gets a free ride**. He can still remain governor. His term doesn't end for three more years. He has a risk-free look-see. That is worth a lot to someone who has had a long career in government.

Yeah, but shouldn't someone who really wants to be president **set up a campaign organization and start raising bucket-loads of money** to keep himself in the public consciousness and be considered a viable candidate? Not if you're Rick Perry. Why is that, you ask?

Because Perry is chairman of the Republican Governors Association. He has an all-expenses paid way to go to key states, meet with his GOP governor counterparts, raise money for them while racking up political IOUs and get media coverage wherever he goes. And, oh yeah, battleground states that could swing a presidential election, like Ohio, Pennsylvania and Florida, have GOP governors.

As a "new face" on the national political scene, he will get all the national media coverage he can stand. In fact, he is now almost guaranteed to get national notoriety for any utterance that even slightly smacks of national or international issues and, certainly, any comment about the presidency.

Just as Texans know "too much" about the state's longest-serving governor, it is the exact opposite nationally – "too little" is known about him and **his name ID is near the bottom of the heap of the GOP possibilities**. This is about to change. So, if you're Perry, why not?

Okay, then. What about former Alaska Governor Sarah Palin? What in the world is she up to, going to a biker rally and travelin' in a bus through various states, including Iowa?

When you think about it, it's really amazing. **Every little mole hill of words or action that Palin participates in, the media makes a mountain of it. It is crazy** – the fascination that the left and the right have with Sarah Palin. As a result, she is always a part of the national presidential politics conversation – generating strong reactions from all sides. **So, will she or won't she?** Again, as with Texas Governor Rick Perry, let's look at it from *her* perspective.

While we have a small bit of familiarity with Palin, it doesn't inform what this little item is about. What we're about to say is **based on sitting back, looking at what is happening, and posing one possible scenario. No inside info.** Just adding up 2-plus-2 and coming up with five.

Consider that **Todd and Sarah Palin have just purchased a million-dollar-plus home in Scottsdale, Arizona.** Some might think it is simply to escape the harsh Alaskan winters. After all, folks of some means have for years purchased homes in Arizona to escape the extreme winters from wherever they are coming from. But there is another possibility.

What if the Palins declare Scottsdale as their homestead, with their modest house in Wasilla, Alaska as their summer home away from the Arizona heat? With Scottsdale becoming their homestead, they can be declared **legal residents of Arizona,** the home base of GOP USSenator **John McCain,** whose decision to tap her as vice president thrust her on the national presidential political scene.

Add another factor: Arizona's other GOP USSenator, **John Kyl,** is not seeking re-election. An open USSenate seat? Wow! A Senate seat in a strongly-GOP state with no incumbent is as rare as **Donald Trump** saying he doesn't like publicity. See where we are heading? **If she decides to do so, she could be elected as the next USSenator from Arizona.**

Sarah Palin is only 47 years old (born 2/11/64). The youngest person ever elected governor of Alaska, she has a long political career ahead of her, if she so chooses. A USSenator who has served as a small town mayor, a governor and a vice presidential candidate would **be a force in the USSenate** — especially one with such a high profile that all media will stumble over each other to give her air time and write about her every move.

Yeah, but what about all this current presidential posturing activity that has the press salivating (good and bad) over whether she is gonna run for president? **Every bit of media mention she receives is reported in GOP-dominated Arizona, raising her bona fides as an Arizona candidate.** Okay, admittedly, this is all *speculation based on no insider knowledge.* It is one scenario that fits neatly into what is currently happening. But, as we say, 2 + 2 may equal 5.

Population growth in the Lone Star State over the last decade is described by one long-time Texas economist as “explosive” compared to that of the nation as a whole. And the fastest-growing metro area in Texas was Austin-Round Rock-San Marcos.

Economist **Ray Perryman** points out the 5-county Austin metro grew by an astonishing 37.3% from 2000 to 2010. The US population grew by 9.7% while the Texas growth number was 20.6%. About a quarter of the nations’ overall growth occurred in Texas.

However, probably the *most impressive performance of all* is that more than enough **jobs have been created to handle this population growth**. In fact, four of the nation’s top five best performing metros in job creation are in Texas. From April 2010 to April 2011, the best performers were #1 Dallas, #2 Milwaukee, #3 Fort Worth, #4 Houston, and #5 Austin.

This ability to have jobs for the thousands of people who have moved here is reinforced by the fact that the **number of unemployed is also dropping**. You’ll recall we reported last week (click on the “Archives” button) the percentage unemployed in Austin was moving significantly in the right direction.

Now, **Beverly Kerr**, the Austin Chamber’s VP/Research, notes that from March 2010 to March 2011, of the nation’s 50 largest metros, **Austin tied for third with Minneapolis with a 6.8% unemployed percentage**. The national comparison for April will be released any day now, but the Austin metro’s April unemployed percentage dropped even more to 6.5%.

What if the entire current population of the Corpus Christi metro area moved en masse to the Austin area? In effect, this is what happened during the previous decade.

The Austin metro had a population of 1,249,763 in 2000. In the official 2010 USCensus, the population skyrocketed to 1,716,289 – a numeric **increase of 466,526!** The Corpus Christi metro area’s **2010 population was 403,280**. If you are familiar with Corpus Christi, this really puts into perspective how much the Austin area has grown in the past ten years.

What about other Texas metros? The Rio Grande Valley metro of **Brownsville-Harlingen**’s population in 2010 was 406,220. Nearby **Killeen-Temple-Fort Hood**’s 2010 population was 405,300. **Beaumont-Port Arthur**? 388,745. **Waco**? Not even in the ballpark with a current population tally of 234,906. You would need to **move two Waco’s to Austin** to match the Austin area’s growth in the past decade.

Even though the Texas population grew 20.59%, not all metros matched that average. **Austin grew 37.33%**; Beaumont-Port Arthur, only +0.95%. **Wichita Falls was the only Texas metro to actually lose population (-0.14%)**. Final note: some 25.1 million now call Texas home.

No part of Texas is drought-free. In fact, more than 80% is under the two most severe levels of drought. And while the Austin area has yet to reach the most severe level, those who live here may start feeling the drought problems generated elsewhere in Texas.

Farmers and ranchers, particularly in West Texas, are among the hardest-hit so far. These are the folks who generate much of the food you consume. **And as their costs rise, so will the price you pay for food.**

According to the *San Antonio Express-News*, Texas AgriLife Extension Service experts estimate **Texas ranchers lost \$1.2 billion from November through May** because pastures have not greened up and high-priced feed products have been needed longer than normal. The extension service last week set a **\$274 million value on Texas' wheat crop**, less than half its five-year average.

“While the projected losses are still far short of the \$4.1 billion hit Texas agriculture took in the record 2006 drought, **totals will grow rapidly if the rain does not come soon,**” reported the *Express-News*. One farmer was quoted as saying he’s “never seen it this dry this early” in 35 years of farming.

Last year at this time, almost 84% of Texas was drought-free. The May 17th edition of the US Drought Monitor shows Texas is one of about a dozen states affected by drought – but, **Texas is by far the most seriously affected.**

Meantime, the Lower Colorado River Authority that controls much of Central Texans’ water is calling on all customers to **conserve water** as the drought intensifies. The LCRA General Manager, **Tom Mason**, says “**this drought looks as if it may be one of the most severe we’ve seen in decades.**” What about rain? Widespread rains of more than 5-6 inches would be needed across the Hill Country just to saturate the ground enough to generate significant runoff.

One of **Dr. Louis Overholster**’s patients, a rancher, has lived to a ripe old age following this philosophy: “Most of the stuff people worry about ain’t never gonna happen anyway!”

Sincerely



Editor/Publisher