

go through with the cuts, and we're going to see how it's going to do for about the next four or five months. Then we'll come back in October or November and have another special session, and then pass it on to 2000.

I can tell you that that is not going to happen. The reason it's not going to happen: We run every two years. The best time for us to pass any type of tax reform is now. That way we can go out and we can take the bumps and the bruises and it gives us time to explain to our constituents what's going on and why we had to impose a state income tax. But, for them to come back and talk about a tax in November, and to come back into session in January, get out in May, and then come out and run on that in June—it's not going to happen.

---

## Interview: Joe Towns, Jr.

---

*Joe Towns, Jr. (D-Memphis) is a Tennessee State Representative and member of the Education Committee. He was interviewed by Marianna Wertz on May 19.*

**EIR:** I understand that you are voting today on seven different proposals. Is that right?

**Towns:** It hasn't come to the House floor yet, but they are thinking that they are going to get on the floor either tomorrow or next week.

**EIR:** I understand that you are facing the possibility of such a large deficit that you might have to lay off 2,000 state employees or cut \$40 million out of kindergarten through 12th grade education.

**Towns:** Yes, that is accurate. That is what has been suggested that we do in terms of cuts, but I'm not going to support any cuts that would cut into education or health care. While there may be others that might, I am not going to support those kinds of cuts.

**EIR:** How do you think this can be solved short of doing those cuts?

**Towns:** You have one of two ways it can be solved. You can fix the structural problem, which is something that the Governor has been trying to do. Or, they could rely on additional taxing of services, a sales tax, which is what we have done in the past—which to me is a temporary approach. It's not going to give us the kind of relief that we need, because there's no elasticity in the budget during economic lean times, or even during economic prosperity it does not work—just basing your revenue generation on taxing services or products does not work.

**EIR:** What did you mean by the structural problem?

**Towns:** The structural problem basically means that the tax system is structurally not competitive for the 21st century. That means you have to look at changing the way we tax,

which basically will have to go toward an income tax. Closing some loopholes.

**EIR:** Tennessee is one of only nine states with no income tax, is that correct?

**Towns:** That's correct. Just in my personal opinion, Tennessee has to reckon with whether it's going to come into the 21st century, or it's going to continue to use a regressive tax system that penalizes poor people and the middle class more than anybody, by generating 60-70% of its revenue based on sales taxes. That really should be unconscionable and unpardonable at this point in time.

Tennessee also has to decide whether or not it's going to begin to compete. When I say compete, I don't mean exist, because I think the state has existed and has been able to kind of chug along, but it's not competed at any real stage. When I say compete, I basically mean that we begin to infuse the kind of capital into our institutions, our academic institutions, which will make them world-class and thereby able to compete on a national and an international level by attracting the kinds of students, the kinds of teachers, the kind of faculty members that we want, and be able to retain them, to compete with the rest of the market. We're losing a lot of people now.

I think also that we have to look at Tennessee and decide whether we're going to continue to embrace the hypocrisy that we frequently see, where many people who are legislators say that they are against gambling but don't allow the people of the state to decide whether we will have pari-mutuel betting [at race tracks] in the state. If people want a referendum on it, we can't be hypocritical and deny them the right to decide that. I think Tennesseans want a public referendum.

**EIR:** The Senate has not passed a budget, right?

**Towns:** That's correct.

**EIR:** Has there been a decision not to have an income tax?

**Towns:** For the most part, but it's not absolutely conclusive that there won't be one. I think we could have passed it in the House a couple of weeks ago, during the special session, but there was a problem in the Senate. There were one or two votes in the Senate that were needed to pass the bill.

**EIR:** Are the forces that are opposed to an income tax mainly Republican business interests?

**Towns:** I don't think it's Republican business interests. I think it's more rural legislators who have made a premature commitment in their districts that they would not vote for an income tax. These commitments were to be based upon what was going on at that particular time. You have to revise anything you say. A commitment like that is unthinkable, a life-long commitment like that. So, what they're doing is protecting their own careers. They're trying to protect their careers by honoring something that will keep them elected. But, it's not considering the children of the state and the elderly, they're not concerned about them.