

# **INTERNAL INFORMATION BULLETIN**

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ORGANIZATION REPORT TO 1971  
SWP NATIONAL CONVENTION

by Barry Sheppard

The process of political discussion culminating in the decisions made at this convention has emphasized and underlined that the deepening radicalization is opening new opportunities for the expansion of the SWP and of its work in the mass movements. We go into the fall with four major campaigns confronting us. Three of these have been outlined in other reports or panels: our support to the fall antiwar offensive, the campaign around the repeal of anti-abortion laws, and the beginning of the 1972 Socialist Workers Party presidential campaign. The fourth major campaign will be projected in this report—a major effort at significantly increasing the circulation of *The Militant*. As other reports and panels have indicated, we face new propaganda openings in Black and Chicano work, amongst trade unionists and others in relationship to these four major campaigns.

The tasks before us now, from this stage of the convention on out and as we go back into our different cities, is to begin organizing all this work. We must tool the party organizationally to meet these new challenges and opportunities both on a branch and a national level.

Let me say just a few words about branch functioning. In the past few years in organization reports to conventions and plenums, we have emphasized that the measure of how well branches are doing is how well they are able to organize all sides of the work of the SWP. We don't want to have a branch that is simply a very good antiwar fraction, or only very good on educating people on the basics of Marxism, or one-sided in other ways. The branches must organize party activity in an all-sided, rounded way. This has a very concrete meaning for the branches. It means leadership in all the departments of branch work. It means leadership attention to make sure that qualified comrades are assigned to head up all the different departments and areas of work that the branches must carry out, from finances to forums to antiwar work, etc., that the Executive Committee act as the leadership of the branch in overseeing all this work of the branch as a whole.

In the different panels held at the convention, different aspects of branch functioning have been discussed. I want to mention one additional area that requires attention as a branch department. There's a proposal from the literature panel that each branch now appoint a sales representative to help organize and coordinate the distribution of books and pamphlets.

The new opportunities we face are resulting in greatly increased recruitment, a much higher rate of recruitment, and this brings with it the necessity of assimilating these new members. There are two aspects of this I would like to discuss. One is that all new members should be given assignments and brought into party activity from the day they join. An assignment which should be emphasized to help develop branch work in one very important area, is to bring new members into the work of the circulation of the press. The other aspect of assimilating new members is education. Rapid recruitment requires not only education in the tactics and strategy that we're following in the mass movements—that is very important—but part of assimilating these new forces and carrying out our number one job of building Trotskyist cadres,

of building the nucleus of the future mass Leninist party, is to also educate new members in the fundamentals of Marxism and the history of the world socialist movement and of our party.

How well we are able to build the branch departments and assimilate and educate new cadre will be a measure of how well we consolidate the gains that we will make in our work, all our political work. This is what we're after in all our political work. If it doesn't result in that, then it can all be for naught.

On the questions that face the party in relationship to national expansion: the national party is faced with a period of rapid expansion and burgeoning needs for resources, both material and human.

The national apparatus itself has gone through a period of significant expansion in the last few years. All the different departments of the party require additional man- and woman-power. In addition to the work of the party national apparatus, we face new personnel needs in relationship to the mass movements, especially the antiwar movement and the mass action for anti-abortion law repeal. The projection of the 1972 presidential campaign and the kind of campaign we want to make it, means another requirement for personnel. And finally the steps we've taken, and must continue to follow up on, in the geographical expansion of the party require still further cadres.

There are two important limits on how fast we can expand: finances and personnel. First on the question of finances. Last year at the Oberlin conference and again at this convention, we projected the raising of special funds, earmarked for special expansion projects. You've heard the report on how successful this has been and the projections we've made for the future. We really have two kinds of financing in the national party. The special expansion fund is one kind. It's an appeal for generally one-shot donations from people who are able to make them, to enable us to finance special expansion projects. But the basic financing of the party, the regular financing, which is the bedrock of the organization of the party, is the regular financing that comes from the party members and sympathizers, from the branches in dues, sustainer pledges, the regular payments on the press bills, etc.

Comrades can get a wrong idea from the projections that were made last year at Oberlin and this year for the special donations for the special expansion projects. They might get a very wrong idea that these special funds solve our financial problems. They do not. These special funds enable us to take special steps for expansion, but they cannot substitute for the regular financing of the party which is the basis upon which the finances of the party rest. The regular payment of the dues, sustainers, the press bills, are key aspects of branch responsibility in financing the national party.

At the plenum of the National Committee in March, we projected the goal of keeping current on these regular payments to the national party and press. In your kits there are a series of mimeographed charts which show how well we've done since the plenum. There has been progress made toward this goal, but there still re-

mains much to be done.

Now on the questions of personnel and cadre, utilization of cadre: I've already gone over some of our national personnel needs. The branches also have expanding personnel needs, as the work of the party expands. But in solving this problem the comrades must think on a national level, and not only on a branch level. National needs must have priority over branch needs, if we are to build a national, centralized combat party.

I would like to especially address myself to the larger branches. One of the important points of this report is that the larger branches must release people, significant numbers of people, for national assignments and for geographic expansion. The source of the cadre for national expansion is the branches. There's no other place you can get them from. The recruiting is done through the branches, and the branches must be the source of cadres for national expansion.

To fill all these expanding personnel needs, on a branch and national level, we have to step up the development of newer people and the process of training newer, less experienced comrades to take on more important responsibilities. There's no other way to do it. We cannot expect in every case that the comrades who are replacing those taking other assignments will immediately be on the same level as those who have been replaced. This process must be a planned, conscious process, so that newer people are being developed all the time to take the place of comrades released. Central to this concept is the concept of team leadership.

For example, comrades have to think constantly of the Executive Committee as a training ground for organizers, and consciously think of helping to release organizers if that becomes necessary. Exclusive reliance cannot be placed on the organizer in the sense that no other people are being developed in the Executive Committee to take his or her place. It's the same with the director of a key area of mass work of other branch departments. We should not place exclusive reliance on the head of a fraction or committee at the expense of developing comrades in the fraction or committee involved in this work. People must be developed to take the place of the current director.

There should be a continuous process of developing new people. The need for this should not be faced simply when the request comes to release people. The branches should inform the national office about people that can be released, or can be released sometime in the future. There are a number of branches that do that already—that consciously think of how they can release people, and how they can be replaced by others.

I want to say one word about the concept of a team. It can be misused like any other concept. A team is not an exclusive concept. It's not a circle of friends or people who get along well together personally. It must be an open-ended concept, an inclusive concept, a concept of drawing people of all types and talents into the work that the particular team is designed to do, as well as into the work in the overall sense, in the work of the whole branch and the party. It should be an inclusive concept, drawing in people of different types and different personalities to work together. It is that kind of team that helps make a branch and the party as a whole the powerful organism that it is in relationship to its size.

Concerning geographic expansion. Since the last convention, we've taken a number of important steps to build

new branches in new geographical areas. We've taken the first steps, but only the first steps, and we have to take additional steps before we can say that those areas have been consolidated.

One of the things that faces us as a small nucleus intending to become a mass party is how do we take a small cadre and use them to maximum advantage? How do we use them in such a way so that we get the most leverage from them? One of the ways is geographic expansion, which can lead to political gains for the whole party nationally.

An example is the development of the Houston branch, one of the new branches that we've taken the first steps in building. We had to take people from other branches: activists, leaders, people who had done very good work in the branches they were in. Of course it was a sacrifice to release them from those branches to enable them to go to Houston, but keeping them in one of the other branches—although they would have been useful in those other branches—would not have been as important to the party, politically and organizationally, as building a branch in Houston has been. The Houston comrades, through the combination of the election campaign and the campaign against the Klan, have put the SWP on the map in Texas. The battle that was waged by our comrades against the Klan put us right into the center of the left movement in Houston, projected the way we deal with such problems nationally, helped enhance our party's national reputation, and it opened up new opportunities in a new area of the country where we didn't have any before.

But we need reinforcements for those new branches, before we can say that we've consolidated them and go on to further geographic expansion. One of the key organizational jobs in the next immediate period, is that the large branches must release significant forces to strengthen the smaller branches and the new branches so that we can take the next step toward future geographic expansion following that consolidation.

There's a number of motions to be put before the convention, in addition to approval of the general line of this report, that I would like to discuss.

The process of releasing comrades for national assignments, of developing newer comrades more rapidly in the SWP, is paralleled by the process discussed in the youth report, of the YSA developing newer and younger comrades and the recruitment of younger and younger people to the YSA. These two processes go hand in hand. The YSA is able to release more and more people to work in the SWP. At the same time the YSA is growing and recruiting younger and younger people. So we are able to project an increased tempo to the process of developing young recruits to the SWP from the YSA.

For some time, the SWP has had an age limit upon party members in the YSA. The YSA has its own separate age limit for its own members, but the party has had a limit of 27 years old on party members in the YSA. We propose that this age limit be lowered to 25, that is a maximum of 24. When you turn 25, a quarter of a century, that's time to leave the youth. We think this process will help both the SWP and the YSA. Of course, exceptions can be made to this in consultation with the proper bodies.

In your kits are copies of two motions passed by the Political Committee, one a memorandum on membership adopted by the PC on November 13, 1971, and the other

motion initiating a probe of the gay liberation movement on May 25, 1971. The delegates had in their kits a proposed motion on gay liberation movement placed before the delegates by the out-going National Committee. I want to read that motion:

1) To approve the memorandum on membership policy adopted by the Political Committee on November 13, 1970.

2) To reaffirm the party's position, stated in the Political Committee motion of May 25, 1971, of unconditional support to the struggles of homosexuals for full democratic rights including full civil and human rights, and against all the forms of discrimination and oppression they suffer under capitalism.

3) To end the information gathering probe of the gay liberation movement initiated by the Political Committee on May 25, 1971.

4) To authorize the National Committee to organize, following the convention, an internal party literary discussion of the gay liberation movement and the party's orientation to it, leading to a decision by a plenum of the National Committee.

The first two points are self-explanatory. The third and fourth points are interrelated and they relate to the stage the party is at in coming to grips with this question.

We've been going through a period of about two months with the branches, under the direction of the PC, carrying out an information-gathering probe of the gay liberation movement. The results of this probe are being brought together through the panel on the gay liberation movement probe that's being held here at the convention. So that is the stage in relationship to this movement we are just coming to the end of, if this motion is passed. Next is the proposal that this now be followed by a party literary discussion to be organized by the NC following the convention, to discuss the gay liberation movement and the party's attitude towards it in preparation for coming to a decision on this question at a plenum of the NC. In other words it's placing this question on the agenda for discussion and decision.

The gay liberation movement is something that's unprecedented in world history as far as anyone I've talked to can tell. It's a new phenomenon. We have nothing to fall back on in the teachings of the great Marxists, or in their practice, in relationship to this question. About all we have is what the Bolshevik government did in abolishing all legal discrimination against homosexuals shortly after the October Revolution. But you can't go back into Marx, Engels, Lenin or Trotsky or anyone else, or in the history of the party and find an analysis of this question for the simple reason that there's never been such a movement. So we are going to have to analyze and decide our orientation to this movement without such help.

The party arrives at decisions for action and intervention on the basis of adequate discussion, democratic discussion, and democratic decision making. The importance of this process is emphasized in relationship to this particular question, given the fact of its newness and the necessity to think carefully about it on the basis of the facts that have been brought before the party through the probe, to discuss it out thoroughly and on that basis come to a decision on our orientation to it.

In the panel on the gay liberation movement probe there were a number of questions that were raised about this. Some comrades felt that the probe or something

like it should continue. An information gathering probe necessitated comrades not just attending meetings of gay liberation organizations as robots and zombies, or as spies. That would not be a very fruitful way to find out very much. Comrades participated in these organizations. But if this was continued over a long enough period of time, and in concrete if it were continued much longer, it would inadvertently set in motion a process of a fractional intervention along a particular line by the comrades who were involved in the probe. You couldn't help it. That would be the logic of it. That is, we would begin to develop, on an individual basis, perhaps branch by branch at best, a line of orientation toward, and intervention in, the gay liberation movement. It would be an uncoordinated intervention, and not based on a discussion and not based on a democratic decision by the party as a whole. This motion is to end that probe and to go on to the stage of a discussion leading to a decision.

Another question that was raised was, "What does this mean in relation to the gay contingents in the antiwar and women's liberation movements?" Well, our participation in those two things projected by the antiwar movement and the campaign to repeal all anti-abortion laws will not be affected by this motion. That is, we should go ahead and support and build those contingents.

And finally, the motion calls for a literary discussion as opposed to a discussion in the branches. This is often our practice when we have to hold a question over beyond a convention because a literary discussion means that the branches can get down to all the work they face, yet, at the same time, we can have a discussion which does not disrupt that work.

I want to go on to the sub drive and the press. One of the organizational principles of Leninism, reiterated in the organizational principles that we adopted in 1965, is that the press is the organizer of the party. It's our most important tool of organization of the party and of intervention of the party. It enables us weekly to get our ideas out to whatever receptive audience we can, in all movements we are active in. It functions as a general political organizer for the party both in helping the whole party act as a national unit and in projecting the party's national line into all the movements that we're involved in. It greatly increases our leverage in all movements. And this is also true in movements in which we are active, but in which we have few cadres, like the Chicano movement.

*The Militant* has magnified the impact of the party in the Chicano movement and acted as a lever for the Chicano comrades—as a powerful weapon of intervention and aid to them. It is a key item in helping to overcome that weakness and in recruiting cadres. In addition, *The Militant*, in its more general sales, can be used to help test the receptivity of different sectors of the population towards our ideas. One of the proposals that we'd like to make is that branches begin—some branches have already begun to do this—more probes and tests of sales of *The Militant* at factory plant gates.

In addition to the sub drive, *The Militant* panel discussed the importance of regular bundle sales, consistent sales of bundles of *The Militant*. We do not want to project the big sub drive and have that mean a decrease in the regular sales of *The Militant*. What we want to project (maybe this should be considered a fifth campaign) is continuing regular sales of *The Militant* and make progress on that front simultaneously with the pro-

jection of the big sub drive. As I indicated before in the discussion on finances, we've made big progress in this area, but there's still a lot of progress to be made.

Keeping current on the bundle bills is part of the problem. It also means putting the correct leadership into the sales committees and the Executive Committee paying attention to this work so that regular sales are given proper leadership attention. As the figures from the charts in your kits indicate, the concentration on this in the last few months has helped increase the percentage of the bundles that have been sold. If the goal can be first to break even in selling the bundle and then to go beyond that, and leadership attention is paid to it, we'll quickly see a rise in bundle size that will reflect real sales of the bundle.

On the subscription drive itself: the proposal is to support *The Militant* sub drive from September 15 to December 1. The December 1 cutoff date will help the branches and the locals of the YSA make their quotas after the fall actions if they haven't by that time. We found it very useful in last year's big sub drive that there was some period of time after the October 31 demonstrations in which the branches could concentrate on cleanup work. This does not mean that the branches should wait until then to try to make this drive. This is a big sub drive, the biggest in our movement's history. And the way we made it last year, and went over our quota of 15,000, and went over our quota again in the spring, was by hitting the drive early, having it well organized early. The sub drive has got to be organized before September 15, so that the teams can get out there right away and make a beg dent in the sub drive right away, especially as the schools open.

Another thing we'd like to project, in addition to making sure that there's proper leadership attention paid to organizing the region to participate in the drive, in selecting the sub drive director, in motivating the branches on the importance of getting *The Militant* out and increasing the circulation of *The Militant*—we want to propose the organization of special subscription-getting teams, full-time teams of comrades from different sections of the country who will coordinate their work with the branches so that they're not taking away any regional work that the branches want to do. They will hit new areas, go into new places, and help to build a base of *Militant* subscrib-

ers in areas we intend to expand into in the not too distant future.

We're proposing to do the same thing as we did with the magazine last time, to have a combined *ISR-Militant* drive with an attempt to get roughly one-sixth of *The Militant* goal for the *ISR*. We have discussed with branch organizers and YSA local organizers the goal of the drive, and we want to project what we feel is a realistic figure—double what we did last year—a drive for 30,000 new subscriptions.

The largest sub drive we've ever had before was in the middle '40s where we got 22,000 subscriptions. This last fall was the second to that, now we aim to go way above it and get at least 30,000 subscriptions in this drive.

In the past period we've gone through a big expansion of the party in all party national departments. The nature of our election campaign has changed tremendously. This coming election campaign will see many, many more local campaigns, and campaigns more directly relevant to the politics of the states and cities where they're conducted. Many new openings will develop in this campaign, more than we've ever had before in the history of our election campaigns. Our intervention into mass movements is unlike we've ever had before. These new tasks for the party, and new opportunities, are resulting in growth of the party quantitatively also.

In the two years between the plenum of the National Committee in February 1969 and the National Committee plenum held in the middle of March this year, we had grown by 60 percent. Since the middle of March, we have grown by another 11 percent of the membership we had in March. We have more than doubled our Third World cadre since 1969. It's still a small Third World cadre, but it's a growing, developing cadre.

The four major campaigns that come out of this convention, these building campaigns, are going to build the SWP and YSA, are going to make all these figures pale by comparison in the next period. We have extraordinary new opportunities facing the party. We have more work facing the party than ever before, and these extraordinary new opportunities call for extraordinary effort from every single party member. The caliber of the people we are recruiting and are developing shows that these efforts will be made by all of us.

APPENDICES

RESULTS OF NATIONAL MEMBERSHIP SURVEY

(Figures are based on survey returns from members amounting to 81.9% of the total membership.)

AGE

Age Group	% of party	% of SWP full-timers	% of other full-timers	% of EC members	% of organizers
under 20	7.5	6.4	11.7	4.8	---
20-25	43.4	31.5	60.7	38.6	33.3
26-30	26.2	40.3	25.0	36.2	52.2
31-35	7.4	14.1	2.6	7.8	9.6
36-40	3.1	1.1	---	1.2	---
41-45	2.5	---	---	3.6	---
46-50	3.3	2.2	---	3.6	4.9
51-55	2.1	2.2	---	1.8	---
56-60	2.3	1.1	---	0.6	---
over 60	2.2	1.1	---	1.8	---

Average age of party as a whole -- 28.4 years

Median age of party as a whole -- 25 years

DURATION OF MEMBERSHIP

Percent of current members who joined within indicated years:

Years	Percent of party
before 1940	4.5
1940-1949	2.5
1950-1959	4.4
1960-1964	9.7
1965	3.8
1966	2.5
1967	6.1
1968	6.8
1969	13.3
1970	23.7
1971 (through August)	22.7

Thus, 88.6 percent of the current party members joined during or since 1960. 46.4 percent of the current party members joined during 1970 or the first seven months of 1971.

FORMAL EDUCATION

Amount of formal education completed	Percent of party
7th grade or less	0.9
high school or less	15.6
some college but less than four years	48.6
four years college or more	34.9

### SEX

	% of party	% of SWP full-timers	% of other full-timers	% of EC members	% of organizers	% of NC members
Female	39.8	40.1	50.0	37.9	28.5	18.0
Male	60.2	59.9	50.0	62.1	71.5	82.0

### PARTY-YSA INFORMATION

Of members currently in the party:

50.4 percent are in the YSA.

29.6 percent have graduated from the YSA.

Of members who joined during or since 1960, 91.8 percent are presently in or have graduated from the YSA.

### AGE OF PARTY MEMBERS IN THE YSA

Age Group	Percent
under 20	14.8
20-24	65.1
25-30	20.1

### NUMBER OF CITIES OF RESIDENCE

Number of Cities of Residence Since Joining Trotskyist Movement	Percent of party
1	34.8
2	33.3
3	16.7
4	8.6
5 or more	6.6

Thus, 65.2 percent of the party members have been in 2 or more cities since joining the Trotskyist movement.

### JOB INFORMATION

46.4 percent of SWPers have full time jobs

1.9 percent of SWPers have part time jobs and are not students

12.5 percent of SWPers are unemployed and are not students

21.4 percent work full time in the radical movement

0.8 percent are self-employed

### STUDENTS

17.0 percent of SWPers are students

Of these: 3.9 percent are in high school

72.3 percent are in college or universities

13.5 percent are in junior colleges

3.2 percent are in trade schools

7.1 percent are part-time students

Of the college and university students: 49.9 % have part-time jobs

8.7 % are members of unions



UNION MEMBERSHIP

25.3 percent of all party members are members of trade unions. (Some of the unions in which we have comrades may not be listed below because only 81.9% of the membership returned questionnaires.)

Auto  
UAW

Oil Industry  
OCWA

Longshore  
ILWU

Hospital  
Local 1199  
Hospital & Nursing  
Home Employees

Upholsterers

Lumber  
Pulp & Paper Workers

Rubber  
United Rubber Workers

Maintenance and Service  
Building Service Employees

Industry Unidentified  
District 65  
ATU  
SMW  
USU  
IPP & A

Transportation  
Teamsters  
Transport Workers Union  
Taxi Drivers  
NMU (seamen)  
SIUNA (seamen)

Teachers  
AFT  
Teaching Assts. Union

Printers  
ITU  
Newspaper Guild

Railroad  
UTU  
Railway Carmen

Building Trades  
Miscellaneous  
Painters  
Carpenters (UB of C&J)  
Electricians (IBEW)  
Laborers  
Iron Workers  
Plumbers

Electrical Mfg.  
UE

Catering and food handling  
Hotel & Restaurant Employees  
Misc. Culinary Workers  
Bakers  
Meatcutters  
Cooks  
Waitresses

Metal Trades, Machine Operators  
Machinists (IAM)

Social Workers and Other Govt. Empl.  
AFSCME  
SSEU  
IUSSE  
SEIU  
Welfare Employees

Postal Employees  
Am. Postal Workers Union  
Natl. Assn. of Letter Carriers  
NAPFE

Clerical Workers  
Miscellaneous  
PP & AU  
UPEIU  
Office & Professional Employees  
IATSE  
IUOE

Retail Clerks  
Retail Clerks Union

Telephone  
Communication Workers (CWA)

Garment  
ILGWU

PERCENTAGE OF INDIVIDUAL INCOME PLEDGED TO PARTY BRANCHES

WEEKLY INCOME OF \$65.00 OR LESS

Percent of income pledged to party	Percent of party as a whole
0-5%	13.2%
6-10	19.4
11-15	8.5
16-20	1.9
21-25	0.6
over 25	<u>0.9</u>
total	44.5

(For example, 13.2 percent of the party as a whole makes \$65.00 or less a week and pledges between 0 and 5 percent of their income to the party branch.)

The average pledge to the party of those people earning \$65.00 or less a week is 9.7 percent of their income.

WEEKLY INCOME OF \$65.01 - \$100.00

Percent of income pledged to party	Percent of party as a whole
0-5%	9.9%
6-10	13.1
11-15	5.3
16-20	1.4
21-25	0.6
over 25	<u>0.3</u>
total	30.6

The average pledge to the party of those people earning \$65.01 - \$100.00 a week is 8.1 percent of their income.

WEEKLY INCOME OF \$100.01 - \$150.00

Percent of income pledged to party	Percent of party as a whole
0-5%	8.6%
6-10	4.7
11-15	3.2
16-20	1.1
21-25	0.6
over 25	<u>0.2</u>
total	18.4

The average pledge to the party of those people earning \$100.01 - \$150.00 a week is 7.9 percent of their income.

WEEKLY INCOME OF OVER \$150.00

Percent of income pledged to party & YSA	Percent of party as a whole
0-5%	2.6%
6-10	1.6
11-15	1.1
16-20	0.8

21-25	0.2
over 25	<u>0.2</u>
total	6.5

The average combined pledge to the party and YSA of party members who earn over \$150.00 a week is 8.8 percent of their income.

PARTY AS A WHOLE

Percent of income pledged to party & YSA	Percent of party as a whole
0-5%	21.0%
6-10	35.2
11-15	27.1
16-20	9.9
21-25	3.4
over 25	<u>3.4</u>
total	100.0

The average combined pledge to the party and YSA of party members as a whole is 10.3 percent of their salary.

PERCENTAGE OF INDIVIDUAL INCOME PLEDGED TO PARTY BRANCHES AND YSA LOCALS,  
FOR PARTY MEMBERS ONLY

WEEKLY INCOME OF \$65.00 OR LESS

Percent of income pledged to party & YSA	Percent of party as a whole
0-5%	6.5%
6-10	18.0
11-15	12.5
16-20	3.8
21-25	1.5
over 25	<u>2.2</u>
total	44.5

The average combined pledge to the party and YSA of party members who earn \$65.00 or less a week is 11.0 percent of their income.

WEEKLY INCOME OF \$65.01 - \$100.00

Percent of income pledged to party & YSA	Percent of party as a whole
0-5%	5.8%
6-10	10.1
11-15	9.5
16-20	3.5
21-25	0.9
over 25	<u>0.8</u>
total	30.6

The average combined pledge to the party and YSA of party members who earn \$65.01 - \$100.00 a week is 10.6 percent of their income.

WEEKLY INCOME OF \$100.01 - \$150.00

Percent of income pledged to party & YSA	Percent of party as a whole
0-5%	6.1%
6-10	5.5
11-15	4.0
16-20	1.8
21-25	0.8
over 25	<u>0.2</u>
total	18.4

The average combined pledge to the party and YSA of party members who earn \$100.01 - \$150.00 a week is 9.0 percent of their income.

WEEKLY INCOME OVER \$150.00

Percent of income pledged to party	Percent of party as a whole
0-5%	2.9%
6-10	1.5
11-15	1.3
16-20	0.6
21-25	0.0
over 25	<u>0.2</u>
total	6.5

The average pledge to the party of those people earning over \$150.00 a week is 7.6 percent of their income.

PARTY AS A WHOLE

Percent of income pledged to party	Percent of party as a whole
0-5%	34.6%
6-10	38.7
11-15	18.3
16-20	5.0
21-25	1.8
over 25	<u>1.6</u>
total	100.0

The average pledge to the party by the party membership as a whole is 8.7 percent of their income.

RESULTS FROM BRANCH FUNCTIONING FORMS

	Frequency of forums	Antiwar fraction	Antiwar director	Black work fraction	Black work director	Bookstore committee	Bookstore director	Chicano work fraction	Chicano work director	Education committee	Education director	Forum committee	Forum director
ATLANTA	week	yes	yes	no	no	no	yes	no	no	yes	yes	yes	yes
AUSTIN	irr	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
BOSTON	week	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
BROOKLYN	week	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
CHICAGO	week	yes	yes	yes	yes	yes	yes	no	no	no	yes	yes	yes
CLEVELAND	week	yes	yes	yes	yes	no	yes	no	no	no	yes	yes	yes
DENVER	week	yes	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
DETROIT	week	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes
HOUSTON	week	yes	yes	yes	no	no	yes	yes	no	yes	no	no	no
L.A.	week	yes	yes	no	no	yes	yes	no	yes	no	no	yes	yes
LOWER MAN	week	yes	yes	no	no	yes	yes	no	no	yes	yes	yes	yes
OAK-BERK	week	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
PHILA	week	yes	yes	no	no	yes	yes	no	no	yes	yes	yes	yes
PORTLAND	----	yes	yes	yes	no	no	yes	yes	no	yes	no	no	no
SAN DIEGO	irr	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no	no
SAN FRAN	week	yes	yes	no	no	no	yes	no	no	yes	yes	yes	yes
SEATTLE	week	yes	yes	no	yes	no	yes	no	no	yes	yes	yes	yes
TWIN CIT	week	yes	yes	no	no	yes	yes	no	yes	yes	yes	yes	yes
UP W SIDE	week	yes	yes	no	no	yes	yes	no	no	yes	yes	yes	yes
WASH D.C.	----	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no

	Militant articles committee	Militant articles director	Sales committee	Sales director	Sub committee	Sub director	Regional organizing committee	Regional organizer	Regional traveler	Women's fraction	Women's liberation director	Bookstore
ATLANTA	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
AUSTIN	no	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
BOSTON	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
BROOKLYN	no	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes
CHICAGO	no	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes
CLEVELAND	no	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes
DENVER	no	yes	yes	yes	no	no	no	no	no	yes	yes	yes
DETROIT	no	yes	yes	yes	no	no	no	yes	no	yes	yes	yes
HOUSTON	yes	yes	yes	no	no	no	yes	yes	yes	yes	yes	yes
L.A.	yes	yes	yes	yes	no	no	no	no	no	yes	yes	yes
LOWER MAN	no	yes	yes	yes	no	no	no	no	no	yes	yes	yes
OAK-BERK	no	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes
PHILA	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
PORTLAND	no	no	no	yes	no	yes	yes	yes	yes	yes	yes	no
SAN DIEGO	yes	no	yes	no	no	no	no	no	no	yes	yes	no
SAN FRAN	no	yes	yes	yes	no	no	no	no	no	yes	yes	yes
SEATTLE	no	no	yes	yes	no	yes	yes	yes	no	yes	yes	yes
TWIN CIT	no	no	yes	yes	no	no	yes	yes	yes	yes	yes	yes
UP W SIDE	no	no	yes	yes	no	no	yes	yes	yes	yes	yes	yes
WASH D.C.	no	yes	yes	no	no	no	no	yes	no	yes	yes	yes

	Storefront	Hours open per week	Pathfinder rep	No. of classes	YSA contact class	YSA new members class	SWP new members class	Other classes	Regular educationals	Other SWP classes
ATLANTA	no	60	no	1	no	no	no	no	yes	no
AUSTIN	no	irr	yes	0	yes	yes	no	no	yes	no
BOSTON	no	48	no	3	yes	yes	no	yes	yes	yes
BROOKLYN	no	40	yes	3	yes	yes	yes	no	no	yes
CHICAGO	no	20	yes	3	no	no	yes	yes	yes	no
CLEVELAND	no	20	yes	0	no	no	no	no	yes	no
DENVER	yes	35	yes	3	no	no	no	no	yes	no
DETROIT	no	40	yes	1	yes	no	yes	yes	no	no
HOUSTON	yes	irr	yes	0	no	no	no	no	yes	no
L.A.	no	30	no	0	no	no	no	no	no	no
LOWER MAN	no	48	no	3	no	no	yes	no	no	yes
OAK-BERK	yes	72	yes	3	yes	yes	no	no	yes	yes
PHILA	no	20	yes	3	no	yes	no	no	no	no
PORTLAND	---	---	yes	3	no	no	yes	no	no	no
SAN DIEGO	---	---	no	0	no	no	no	no	no	no
SAN FRAN	no	40	no	0	no	no	no	no	yes	no
SEATTLE	yes	50	yes	3	yes	yes	no	no	no	yes
TWIN CIT	no	30	yes	0	no	yes	no	no	no	yes
UP W SIDE	no	irr	no	3	no	no	yes	no	no	yes
WASH D.C.	no	irr	yes	0	no	no	no	no	no	no

## FINANCE PANEL

### 1971 SWP National Convention

[The following are excerpts from the reports and discussion held at the panel on finances at the 24th National Convention of the SWP. The panel was led by Judy White, National Financial Director of the SWP. These remarks have not been edited by the participants.]

*Judy White*

Since last year's Oberlin conference we've made some impressive progress on improving the finances of our movement. In everything from the big expansion fund we established, to the recently completed mammoth YSA fund drive, to *The Militant* Improvement Fund, to the professionalizing of the financial organization of the branches and national departments of the party.

Comrades in branches, locals and at-large areas across the country have demonstrated the extent of their seriousness about our goals by the tremendous work that they've done on finances. If comrades just think about those things I listed, the kinds of gains that we've made are impressive. This ability of our movement to meet the financial challenges that the growing radicalization places before us is one of the strongest indications of our political and organizational potential.

The panel tonight will center on three aspects of party finances that we've been working on in the period since the National Committee plenum in March: the campaign to keep current with the national departments, the need for increased financial organization of the branches and the need to move forward on the per capita pledge to the national office.

The first report will deal with the question of the financial organization of the branch, taking up the experiences of the Boston branch in trying to coordinate more closely all aspects of our finances during the past period. George B., who is the financial director in Boston, is part of a team that has organized the finances in what's now the largest party branch in the country. In addition to having a smooth operation, the Boston branch has one of the highest per capita pledges to the party nationally. So, their experience is going to be useful to other financial directors that are trying to organize a large branch.

*George B., Boston*

This won't be too long because I'm not going to concentrate on all the little details that we've done and give you a list of successes or anything like that. The idea I want to present is the concept to which we are building the finances in Boston, what we want to do, what has been behind the gradual evolution of our finances. I'd say we're a little under halfway to the basic system I'm going to describe to you here.

First of all, the idea was to get a general overview of branch finances, that is, not to get hung up in details. We also had the concept of not having any one particular comrade tied down to nothing but finances because even people who work on finances have to have enough activity in other areas of political work in the branch so that they understand the concept and the thrust of the

finances themselves.

The main idea that we had was to split the financial committee into departments—that is, not to have comrades who are on the finance committee falling all over each other handling the same money. In other words, the tasks in a branch that is beginning to get large are large and what you want to do is isolate the problems, not compound them by having a big committee where everybody's doing everybody else's job. So, we're trying to isolate and split up the various functions of the finances in Boston. Sometimes, as we've done in two cases, we even split it up in terms of checking accounts and book-keeping.

For instance, the campaign has a completely different set of books, a different checking account. They make a separate report which first comes to me. I Xerox and send a copy to the N. O. But the campaign committee, with its own microcosm, you might say, works independently.

The same for the bookstore. The bookstore has its separate books, its separate budget, its separate account. The bookstore budget is aimed at keeping the store on a self-paying basis. We keep the finances completely separate so that we will know whether or not we are making money. Gradually we increase the stock from the turnover in the store itself and gradually increase the amount of rent that the store pays for the branch. Our bookstore pays \$125 a month of the rent. Last year we grossed 12 percent profit. The net profit on the bookstore last year was 6 percent after paying rent and everything else.

Now, the campaign committee we're just beginning to get off the ground financially and it too is responsible for its own budget. The reasoning for that is that our campaigns are completely self-sufficient. With the exception of the initial outlay over a year ago when the branch put in \$1,000 to start off the campaign committee, we haven't had to put any money into the campaign and it has spent over \$5,000. It has raised its own money; it has spent its own money; it's responsible for its own fund raising.

What this does is regularize another department of your branch finances—the branch itself. No longer do you have to worry that the branch has to kick in \$1,000 every six months for your campaign. The reason for the budget on the campaign is to take account of the periodic fluctuations which occur in a campaign. Like you notice in September all of a sudden the campaign committee puts out maybe 100,000 leaflets and it needs money for that. It has to begin to budget its finances all year round. This includes trying to get a fulltimer on under the budgeting of the campaign committee because the campaign is such important work. This area of work, frankly, we're just beginning to get off the ground, so it's hard to tell how well we're doing. Although in terms of the campaign being self-sufficient we've been very successful. A lot of our fund raising goes right into the campaign and is not reflected through the other books.

Each department, like the campaign, the bookstore and the branch itself, uses the same bookkeeping and accounting process. What this does is enables you to have similar



training for all the comrades. After you get a few comrades trained in that system, if a comrade has to move, has to take another assignment, you can then move another comrade into a more responsible position in finances because he or she already knows the general system. This system specifically is the following: all our money goes through the checking account. Every cent of it. You collect so much money for tonic, right? And then the tonic man runs in the door and says, "You owe me \$25 for this new shipment of tonic." You don't hand it to him right out of the tonic basket. We pay him by check out of the account and that's the only way he gets paid. All payouts are made by check, even petty cash is on the basis of replenishing a fund set up by a check. When you replenish it, you actually list down what the previous amount was for so that in your checkbook, you know exactly what it was spent on.

Also, a separate income and expense book besides the checkbook is kept and this adds up the various categories of expenditures. I think you've all seen the ledgers where going down you have each day's entries and then across in columns you have the various departments. So, at the end of the month by going to that book you can list very quickly, for instance, how much money went to *Militants*, how much went or came in for soda, etc.—all these various departments. For instance, if you open the ledger, you know you've got to spend rent, etc., because these are expenses which always crop up. Also the separate ledger serves as a good indicator on your bank deposits. All our bank deposits are listed specifically. We get our deposit slip from the bank; on the back of the slip is listed where that money came from and this in turn is listed in the ledger. This almost seems like too much work but when you get the system set up, what it does is avoid problems. You don't have to spend five hours looking for 10 cents because you know where your money is all the time.

Also the ledger serves as a basis for the monthly report which is one of the most important parts of branch finances. First of all it clarifies things in a certain time. Just making sure your monthly reports go in on time, that all the comrades in the various departments have their monthly reports in to you on time, helps regularize the financial functioning as we go along. It's much more coherent, much more regular and you avoid many problems. For instance, in Boston, each section owes me a report by the fifteenth of the month and then by the seventeenth or eighteenth of the month I send the reports in to New York.

We have a seal-off system. This has worked very well. It's one of the first things we did and it's been the most successful. First, there's the physical aspect of the seal-off system. Once money is counted, collected and put in an envelope for deposit, that envelope is sealed. Then if a comrade comes up and says, "Hey, I've got a \$10 bill. Can you give me change?" we say, "Sorry, we can't change it now because the money is sealed." This sounds almost childish but when you've got a branch of eighty people you've got to really be strict on what might seem like some ridiculous rules. Once the envelope is sealed—this physical sealing I'm talking about—that's it. The envelope is not opened up until you bring it to the bank and the money is deposited. Frankly, we have lost no money in the last year. As a matter of fact, we've had a little unexplained income but we haven't lost money at all. Say you have a payment to make and you've got

this envelope sealed off. It doesn't hurt to delay things a bit if you're clear on what you're doing and where you're going.

The other aspect of sealing-off is the mathematical sealing-off. That is, we seal off things in terms of periods. When the monthly statement comes in from the bank, we go to the checkbook and we verify it. Then we put in a line and we say "bank okay." That means up to that point that account was correct. So, let's say a couple of weeks later you have a mistake that shows up. There's \$30.00 missing or something. Then you know where to look for the mistake. You look between the date you are at at that particular moment and back to the point where it says "bank okay" and you know that the mistake is going to somehow appear in that area. Once we started the bookkeeping seal-off, we've always been able to isolate our mistakes and find them. So, those two aspects of sealing-off—the physical and the bookkeeping seal-off—are very important in avoiding confusion. The idea is to separate, simplify and avoid confusion and overlap.

At the end of the month, there's the other seal-off when we make out the monthly reports for the national office. Also, say the end of the month comes and we make out a loan to a comrade of \$100 for some odd reason, or you put out \$100 as a loan to some group, and then you get it back the very next day which is the first of the next month. You do not make believe that it didn't happen. You list it as an expense in one month, as income in the following month. If you had a very sophisticated machine, you could get away with playing around with the system, but in our branch, and I'm sure in your branch, we're all amateurs at this and because we're amateurs we have to be extremely strict on picayune things. Things like sealing-off envelopes, things like taking the books and saying, "That's it. We've taken in and spent the money for January." Whatever happens one minute past twelve has occurred in the following month. If you're very strict on this, you avoid problems. And it's the problems which take the time.

The other thing is that when you're missing 10 cents, find it. Because you'll uncover a problem which could at another date make you miss \$100.

Within each department, you try to simplify the work into practices which are easy to familiarize even the most inexperienced comrade with. For instance, we have one comrade collect dues and pledges and that's all she does on finances. She doesn't make out the monthly reports on dues and pledges; she doesn't figure out other aspects of dues and pledges, like pledge level, etc. She's very good on knowing who has paid what, how far behind they are.

Talking about splitting up functions, it was six months after I became finance director before I touched the checkbook. Someone else made out the checks; someone else made out the payments and listed payments and income. I didn't do that. For various reasons I have taken over the checkbook now but I'm also going to get rid of it pretty soon because as the branch gets larger, you want to have a general overview and you don't want to get tied down to all the various details of what's going on in finances.

On the other hand, the comrade who is willing to take on the job of the checkbook doesn't want to get tied down to the problems of when will I pay the rent, what will I do next, what the hell's going on—we don't have enough money coming in. That's not his problem; that's my

problem. So by separating things, you make things a lot easier for everybody and everybody has a chance to work in other areas of the branch besides.

Also, get an adding machine. What you do is you put everything through the adding machine; you take the tape; you go over the figures; you see that you've listed everything on the adding machine and you know the figure's correct. Sometimes you might even want to add something up twice, but once you've done that, you know your addition is correct and it enables you to have all your accounts correct. Get an adding machine because it will save you work. Really, I was amazed at the difference it made in all our accounting when we got the adding machine.

Finally, the question of responsibility to the national office. When you get to a certain size, you suddenly sell quite a few *Militants*, you sell quite a few books, you have quite a large sustainer, you collect quite a few dues. This means it's more of a responsibility for the branch at this level since so much money is involved. We strive to pay our *Militant* bill in full regardless of how much *Militant* money comes in to us; we try to keep that bill up to date. And it's the same for the \$14.00 a head sustainer we pay. We pay the full sustainer every month come hell or high water. It's our problem to organize ourselves well enough to get the comrades to pay us. It's not the N. O.'s problem.

Also, if you cannot pay the money to the N. O. or *The Militant* on time, try to keep them aware of it. Call them up or write a letter saying, "Dear Judy, We're in straits. We'll send you \$500 this week, \$500 the next week, \$500 the following week." So that they can regularize, if you will, your irregularity in your payment.

Finally, the thing that we are trying to do to avoid such problems, because we've had a few problems like that where we've begun to scrape in on the bottom, we are trying to build up a reserve fund of \$1000 at a rate of \$100 a month so that if we begin to scrape, we can dip into the reserve fund and pay the sustainers right off.

Now, the final thing of all is running branch finances is not a planned economy, and to think that you're going to have a situation where you can just control it like that is ridiculous. You know in political life there's always an uneven flow. This occurs in finances too and when there are political events like big mobilizations coming up or everybody's going to the convention, all these things are somehow reflected in the branch finances and you've got to take that into account and try to plan ahead for them. You know that August is going to be terrible for instance, because our branch sent in \$5000 for convention money. Now that \$5000 for room and board, etc., came out of the comrades' pockets. So, you try to think ahead and say, "Well, in August, we're going to really hit the rocks. So, we've got to try to prepare for it." And we did know we were going to hit the rocks and we hit the rocks. But the fact is that we were prepared for it and we tried to make adjustments accordingly so we could be sure of paying our August pledge to the N. O.

*Judy White*

Aside from the types of things George ran down for us that we've been working on nationally and which most branches still have a way to go on, we have been waging a major financial campaign in the party since March to have all branches keep up to date on their financial

obligations to all of the national departments. Once a branch is stabilized to that extent, we want to work towards paying off back debts and increasing sustainer pledge of the branch to the party nationally. One of the branches that has made the most spectacular progress in this regard is the New York branch—recently divided into three New York branches.

Howard S. is currently the financial director of the Lower Manhattan branch and was financial director of the New York branch during the period when they organized and carried out a campaign to stabilize the branch finances and pay off a huge debt in preparation for dividing into three branches. Also you'll notice on the second page of these charts which we're going to discuss after Howard's report that the Lower Manhattan branch is about to go up to a \$16.00 per member per month pledge to the national office starting in August. So, not only did the New York branch pay off a back debt and stabilize the branch finances but also the branch Howard is currently financial director of has finances geared up so that they can make a big increase in their pledge.

*Howard S., Lower Manhattan*

This report will describe the experience of the New York branch finances during the past ten months starting with the single New York branch and then going into the Lower Manhattan branch.

During this period of ten months the New York branch had two major organizational expansions. First, it moved from a headquarters which it was sharing with the national office into a bigger, more expanded headquarters which it occupied by itself. Then secondly, last May the branch expanded further by establishing two new branches so that there were three branches in New York instead of just one.

This report will explain how the New York branch was able during these two expansions to go from a situation where in the fall we were increasing our debt to the national office, to the national departments and to the press by about \$1000 a month; to one where during the spring we kept current with the national office and the departments with a \$14.00 per member per month pledge. At the same time we were preparing for a division and setting up two new headquarters and during that time we paid off a \$4,000 debt that we had to the national office and the national departments. I will also briefly describe what has happened in the Lower Manhattan branch since then. By using the same approach we are raising our per capita sustainer to \$16.00 per member per month in spite of the high rent we have to pay every month.

When we moved into our new headquarters in November, a lot of our expenses went way up. We were no longer sharing the headquarters with the national office. We couldn't split the rent with the national office and consequently the rent expense for the branch rose from \$280 a month to \$700 a month. Our headquarters maintenance was about \$150 a month. When we saw the way our debt to the national office was skyrocketing, we saw that there were some steps we were going to have to take to try to deal with the situation. In order to arrive at a solution, we established a financial committee which was composed of the organizer, the financial director, the city secretary, and several other comrades who had had experience in finances in the past.

The committee discussed the branch's financial functioning in general as well as closely examining the

branch's financial records for the past year. After some analysis and meetings, we finally came to the conclusion that the problem was a deeper one than simply falling short of our projections or making inaccurate projections or not planning them out carefully enough. Rather, the problem stemmed from the fact that with the increase in our political activity over the past few years and the corresponding increase in money which the branch handled, the amount of attention that the branch was giving to finances was simply inadequate. A much greater complexity exists in branch finances than had existed in the past. It has created a need for much more accurate knowledge of where money is coming from, where it's going, as well as giving much more attention to planning our financial functioning. There's also a general need for added consciousness of finances in general by the entire branch. The branch had lagged in this area during the past few years and was not adequately conscious of the way that our finances had to change to keep up with our political expansion.

One reflection of the failure to recognize the need for change in our record keeping was the way that we recorded paper expenses. I'm just using this as an example. We had been for several years putting all of our paper expenses under the general category of office supplies. Whether it was mimeo paper, paper cups, paper towels or toilet paper it was all put under office supplies. It's not just for bookkeeping reasons that this was incorrect, but it also had political importance. For instance, when we use paper for forum leaflets, we have to know that that's a forum expense and not put it under some category of office supplies. We want to know all the money we're spending for the forum. When we receipt \$10.00 for the *ISR*, we want to know whether that's from a hawking bundle or from a newsstand bundle.

It's crucial for every branch department that's involved in finances—such as sales, the bookstore and forums—to have accurate bookkeeping. It's important to gauge their political functioning accurately.

Another thing that the financial committee noticed was that the branch consistently spent a lot of money in several areas where it had not made a conscious decision to do so. Because we were not devoting the attention to finances that our expanded activity required we were not able to see the effect that some activities, such as running leaflets, putting out mailings and making large numbers of phone calls had on our financial functioning. In other words, we didn't have the complete financial-political overview of our activities which was necessary to keep problems like this from developing. These types of expenditures were draining off money that should have gone to the national office and were one of the reasons for the increase in our debt.

When the committee was ready with its proposals, we projected in the Executive Committee that this would be a major political report to the branch and that it would outline honestly what the problems had been. It would inform the branch why we had been unsuccessful in meeting our projections, why the debt to the national office had gone up and it then proposed as a means of solving these problems three concrete campaigns.

One was the tightening up in the city office: putting locks on the phones, locking up paper, not cashing checks, not making loans, signing out all long distance phone calls and selling supplies to outside organizations on a cash basis. The reason for some of these things was that

outside organizations—such as the Student Mobilization Committee—can participate in all kinds of fund raising and have access to all kinds of money that the SWP does not have access to. It's perfectly justified to bill them on a cash basis, not to permit any kind of debt to run up from any organizations that are doing mass work. Having locks on phones—things like that—stemmed from the fact that we wanted to think out any expenditures that we made in this area very consciously. We were able through our reports and discussions to get it so that the comrades understood the need for all these things and they cooperated very well in these campaigns.

Now, the second campaign that we engaged in was to focus attention on the functioning of the branch departments, especially things such as forums and sales which are our public face. We pointed out that increasing our income from things such as forums and sales has both financial and political importance. The Executive Committee of the branch took responsibility for directing campaigns to strengthen these institutions.

The third thing that we focused on was sustainers. When you look at all the different ways that the branch gets income, the sustainer income category is larger than all the other categories of income put together, so it has obvious importance to us. We pointed out that in the Socialist Workers Party we break with bourgeois norms when we look at financial contributions to the revolutionary party. We don't feel that if we make twice as much money as someone else, that means that we have to live twice as well as they do, for example. It means that if someone makes twice as much money, that's just so much more they should give on their sustainer. Of course, we pointed out the types of thing that this money would be used for. But rather than ask for a sustainer increase right away, we focused on the debt that comrades owed to the branch in their sustainers. This amounted to over \$3000. We assigned a comrade to work on it; we published lists, had frequent discussions and explained how this debt impeded our political functioning in concrete ways. We reduced the debt by over \$1000 and one of the good things was, as the campaign progressed, many comrades came up voluntarily and raised their sustainers.

The reports that we gave put the need for the financial re-organization not only in terms of the upcoming branch division, but also in the context of keeping current with the national office and departments. We explained why that was important; we drew upon the financial reports which had been printed up in internal bulletins and which showed some of the things which the national office used the money for. We made a big campaign in the branch; we explained all of these things to the comrades and met with a lot of success. Then, of course, when we were able to keep current, everyone in the branch saw the important victory and it raised the morale of the whole branch.

Our financial committee considered some other solutions to these problems, but it rejected them. One solution which came to mind was doing something like taking people off fulltime and saving money by reducing the *ISR* and *Militant* bundles. Now we rejected that, of course, for two reasons. First of all, it would have meant cutting down on our political work at a time when there were extensive political opportunities in front of us. Secondly, it would not have given us the basic control that we needed over how we spent money. We also considered a major turn toward external fund raising on the part of the

branch, such as frequent film showings, frequent banquets, things like that. And it's important to remember that activities such as banquets do have great importance. In addition to their financial importance, they can, if organized correctly, bring large numbers of people around the SWP and involve them in our activities.

However, we felt that there was a drawback in projecting these types of activities as components of the basic reorganization of our finances. First of all, there was a danger of too many comrades being involved in fund raising in place of the regular branch political functioning. Also we felt that until we obtained the knowledge and control of how we spent money, we wouldn't be utilizing the total value of such fund raising. In addition, we wanted our fund raising to be tied in with our political functioning through such things as honoraria and speakers bureaus as opposed to things such as film showings.

Along with involving the branch in these campaigns, the financial director also had to play a crucial role. The assignment and the responsibilities of the financial director take on additional importance as finances become more complex. The assignment of the financial director has to be seen, as it was in the New York branch, as a major branch assignment where the comrade, as the branch financial director, is a political leader of the branch.

One advance which we made in New York, which was an advance over previous years, was that when we assigned a comrade to finances in the fall, that comrade had no other major assignment, either local or national. That gain was reflected in the amount of attention the financial director could give to the finances. Although the branch as a whole makes the decisions on how the branch is going to spend money and what kinds of priorities it's going to use in allocating money, the financial director was the one to sign checks, or if someone else did it, it was done in general collaboration with the financial director who knew specifically the state of the account, the upcoming bills and so on. The important point is that whatever arrangement is made, the financial director has to have the general responsibility for how it's done. In addition, it's crucial for the branch organizer, as well as for the branch Executive Committee, to view the branch's financial situation as having the same importance as other key areas of branch work, such as women's liberation or antiwar work.

There are other things which occur in the process of day-to-day branch functioning which, although they seem routine, need attention devoted to them in order to avoid losing money for the branch. A typical example is bus transportation. When a branch has to organize a bus, all arrangements for bus transportation should be made in consultation with the financial director although the financial director shouldn't have to have the responsibility for organizing it. The same is true for things like election campaigns, that the general decisions on finances of the campaign have to be made in collaboration with the financial director. Otherwise it can just throw the whole branch finances off.

By utilizing the approach that I described, the branch was able, with the start of the \$700 per month rent, not only to keep current from February through May on a \$14.00 per capita sustainer, but was also able, in spite of setting up two new headquarters, to pay \$4000 in back bills to the national office.

The Lower Manhattan branch, which was formed at

the end of May was able to keep current. In June it had a per capita of \$11.00. In July it raised it to \$15.00 and kept current and it's raising it to \$16.00 in August.

It's crucial to keep in mind that all the major gains that we made were made possible by giving primary emphasis to the day-to-day aspects of financial functioning: things such as the role of the financial director in the branch, the financial director's relationship to the city office, the frequency and type of financial reports, the types of campaigns that we had.

None of our initial campaigns focused around things like banquets, film showings, speakers bureaus, expanding periphery, even asking for a sustainer increase. We didn't act on any of these things until the primary question, that is, the basic financial functioning of the branch, which is the bedrock of branch finances, was solved.

When we gave the first financial report to the branch in February, we stressed that a major reorganization of our branch finances was necessary. But in the process of reorganizing, we didn't reduce our per capita to the national office and we didn't try to write off any debts that we had. They key was to recognize that finances in general had to become a major campaign of the branch—not only of the financial committee or just the Executive Committee but of the branch as a whole. The reports had to be viewed in such a way that the Executive Committee took responsibility for the branch finances and was able to involve the branch in the campaign.

We assigned a large number of comrades to work on various aspects of finances; we had frequent reports throughout specific campaigns; we encouraged as much discussion as possible both in the exec and on the branch floor; we worked together as a team and expanded the team to involve the branch to the point where the current financial consciousness in the branch and the general sustainer level that the comrades are paying are higher in the Lower Manhattan branch than ever in the history of New York to my knowledge.

*Judy White*

What I'd like to do before we open the floor to discussion is to round out the reports that George and Howard gave by looking at the picture coming out of the national financial tour that we had this spring, looking from a national point of view at the campaigns we've been carrying out—where we stand now and what goals we want to project for the coming period. These goals will be projected in the organization report to the convention.

At the March 1971 plenum of the National Committee of the party we projected as our major financial campaign keeping up-to-date on all financial obligations to the national office, *The Militant*, *ISR* and *Pathfinder*. At the time of the plenum, in fact, we pointed out that the day-to-day budget of the center was imbalanced by over \$6,000 a month, \$3,000 of which was being created by branches and locals falling behind on paying their press bills, their dues for all the members that they had on the books, and the sustainer they had pledged to the party. In other words, just what the branches said they would do by ordering a certain size *Militant* bundle and so on, just taking those things in and of themselves was making us fall behind \$3,000 a month.

I think one of the things that has become more clear to comrades since the plenum is the complete, close inter-relationship between these things. You can't pay your sus-

tainer on time and fall behind on press bills, because then the press must raise additional money.

The main goal we projected at the plenum was to wipe out that first \$3,000 per month of our deficit by the time of the convention through a campaign in the branches to try to keep up-to-date on paying all their bills.

The first page of charts shows the progress we've made on this. At the beginning of this period, less than one-fourth of the party branches were keeping up with all their bills every month on time. You can see in March 1971 only four out of eighteen branches were up-to-date. By the end of July, 60 percent of the branches were paid up on time. In fact, in June we were even higher—we were at 70 percent—but that preconvention financial slump which George spoke about had an impact on the financial performance of some of the branches that had been doing very well in paying their bills in July.

What this progress in keeping up-to-date has meant in terms of the N. O. budget was shown by a four-month average that we did on our performance at the end of June. The figures that we got for the four-month period ending in June showed that we had already met our first goal in dollars and cents. We had reduced the amount the party was falling behind monthly by a little over \$3,000. This was due primarily to branches making a major effort to keep on time paying their bills. However some branches also paid off back debts during this period or increased their per capita pledge to the national office which moved them onto the second prong of our financial campaign—eliminating the second half of the N. O.'s monthly deficit.

The other \$3,000 of the deficit that we were running would be wiped out if we were at a national average of \$15.00 per member per month coming to the party nationally.

Look on the second page of these two charts. When we first went onto the sustainer system in 1969, we projected that given the rate of growth in the membership of the party, if we had an average of \$15.00 per member per month coming into the national office we would be able to expand the size of the press, the size of the Administrative Committee and so on to meet the needs of the party in this radicalization.

We have expanded the press; we added a women's liberation director, an antiwar director and others, but the sustainer income has not expanded at the rate we had projected. If you look at the first two columns on that second page, you can see that in fact rather than increasing, the average per capita pledge to the party nationally has fallen in the last year.

What actually has happened in the past year with the sustainer system? In the first section of the second chart you can see that the actual pledge per comrade per month to the national office has fallen about 80 cents since this time last year. At the same time the second section of the chart shows a contrary trend which is something we have got to give a lot of thought and consideration to on the leadership level in the branches: the pledge to the branches has increased nationally almost \$2 per member per month since this time last year.

To my mind that increase is indicative of the big gains we've made in the branches over the past year and a half on finances—some of the things I suggested at the beginning of the panel. We have come quite a ways with the sustainer system now in setting a certain tone in the branches on the kind of responsibility that's connected

with an individual comrade's financial commitment to the political and organizational tasks that are laid out by the party. I'm convinced that we would not have seen such a dramatic increase in the amount that is being pledged by the comrades to the branches if we had not been working very hard to develop a core of respected political leaders of the party who are taking charge of finances in the branches.

Now, what about this contrast then, between the rising per capita—that is, the comrades responding better and better to the political and organizational needs of the party in terms of dollars and cents—and the falling per capita pledged to the party nationally? What is the meaning of that kind of a trend? There are a lot of things that you might think of that could cause this kind of an imbalance to take place, but basically our thinking is that the key reason why the pledges to the party nationally have not at least kept pace with the increases in the branches revolves around some of the questions that Howard and George touched on during their reports to the panel. That is, some of the financial organization in the branch departments. We noticed from the monthly reports financial directors were sending in that things like *Militant* sales were often a big drain on the branches, that the amount that a branch was clearing on its forum series varied tremendously from one area to another and so on. That's why we feel it's so important for the branch financial directors attending the convention to attend the YSA financial panel, the campaign panel and the branch bookstore panel later this week. That analysis also explains the fact that the focus of the national financial tour of the party this spring was on the finances of the branch departments, how the financial director should relate to the branch departments. This is obviously an area where we're just beginning to have some experiences. We have a lot of work to do to strengthen the finances of the various branch departments.

In part, the final columns which are a percentage representation of what's happening to the sustainer that comes in to the branches reveals the price a branch may be paying for having poorly organized finances in one or more of their departments. What happens then is that a higher percentage of money pledged in sustainers has to be diverted from a sustainer increase to the national office to take up the slack in some area of the budget which should be holding its own—like *Militant* sales, the forums, regional work, and so on.

I want to make just a few comments on what we've done with *Militant* and *ISR* debts since the plenum. Comrades who are delegates will have seen the information in the kits on how many branches have kept current with these obligations and can see that the total debt to both *The Militant* and *ISR* has fallen since March. And that's important to remember because that is in spite of the fact that the price of *The Militant* has raised during this period, so that not only did the debts fall, but they fell in the face of an increase in the price of the paper. That indicates that we've made substantial progress on this aspect of our finances. However, we still could do better on keeping current with these obligations. *The Militant* is still the weakest link on this chart; the most zeros fall in *The Militant* section of the first page.

And we can do a lot better on integrating increased sales with improved finances for the branch. The business office reports that communication between sales directors and their office is still very sporadic, and that

the turnover in sales directors is very high. Most branches have changed sales directors more than once since the plenum, for example—in a period of five months. And what happens when you change personnel in a sales assignment so often is it makes it very difficult for a comrade to get a feel for the assignment, to get acquainted with all facets of the assignment. This has slowed down our progress on stabilizing the finances of *Militant* and *ISR* sales and on beefing up the organization of them. The branch financial director or committee can play a certain role here in maintaining some continuity in this department. If you have had your branch organized financially in such a way that the financial director or a member of a financial committee has been working right along with the sales committee, even if you have a change in sales director, you have the financial director—which generally is an assignment with more continuity than others in the branch—who has already got some experience about where the branch is at—the weaknesses and strengths on sales. This can help to bridge the gap in a situation where you change the comrade in charge of sales. The other side of our financial campaign around *The Militant* and *ISR* which comrades in the business office feel could use some strengthening is the connection between breaking even in the branch budget on the bundle and the concept of selling 70 percent of the bundle. In other words, we're suggesting that the financial director or committee should play a more active role in seeing that sales are being organized. That is the only way in which you can ensure that sales are going to break even in the branch budget.

We've also made some good headway on organizing branch bookstores on a more businesslike basis. You can see how the branches have done on keeping current with Pathfinder. In addition, the overall debt of branch bookstores to Pathfinder has fallen by over \$3000 since the plenum. So, we've made some progress there.

We can conclude then by saying that our tasks for the period ahead are quite clear. First, we have to continue to work at stabilizing branch finances so that as a regular thing the percentage of branches paid in full and on time each month hovers around 100 percent.

Secondly, branches that have laid this groundwork of keeping current over a period of time, stabilizing their branch finances to that extent, should be in a position to hammer out projections for systematically wiping out back debts so that they will be in a position to move forward on their pledge to the party nationally. This is a necessity that faces us if we're going to continue to expand in the national center of the party at the rate that the radicalization demands that we expand politically. We have to have a continual effort by the branches to raise that per capita. As long as the national office continues to operate at a deficit, like we are now, it will hamper our ability to expand and move audaciously when political openings come up. In addition, our special expansion projects will be slowed down because we've had to use money from the special fund that we set aside for special expansion projects to do what the branches should do and what the branches show the potential of being able to do, that is, to support financially to the extent that they do politically the work of the national campaigns and departments of the revolutionary socialist party on a day-to-day basis.

## Discussion

Dave W., Oakland-Berkeley

If comrades look at the chart, they'll see that while Berkeley's sustainer to the national office has dropped over the past year it has raised sustainers to the branch. The explanation of that contradictory phenomenon is that we've only in the last three months gotten our financial situation under control so that we now have the prospect in the next period of raising our sustainer to the national office.

About six months ago, all the finances were loaded up on one person, and it was actually a department that was the orphan of the branch. Consequently we found ourselves going very rapidly in debt. About three months ago, we had a gap between assets and liabilities of \$1000; we were \$2200 in debt. Today we've closed that gap to less than \$150, and we've reduced our debts to the national office, *The Militant*, *ISR* and every other category.

The secret to reversing this whole situation was to bring our finances under control and put them down on paper so the whole branch could see it. The way we did that was to form a finance committee that would devote a tremendous amount of its time and energy, considering it a major assignment to figure out all of these things. The structure of the finance committee was to have as a base a treasurer: someone who keeps the books and makes sure we keep track of all the money, and a finance director: someone who takes an overview and gets an understanding of all the different departments—sales, forums, fund raising, and so on.

While we formed this finance committee, we also formed other committees, like sales committee, fund-raising committee, forum committee. All these committees started functioning on a regular basis to raise the financial consciousness of the branch. What we meant by that was to instill in every comrade's mind that for every political task there is a financial side to it. We go out to get our ideas out to the public in *The Militant*. There's a financial side to it. If we did not have that financial side in mind, we would find ourselves as we did three months ago running a \$70 a month debt to *The Militant* and *ISR*. That's equivalent to a very good sustainer. And we were just throwing that away. Today we are not only breaking even but are bringing money into the branch through sales.

The time's getting kind of late, but I wanted to go into the type of reports we give to the branch. In essence, we have three-month summaries and three-month projections in financial reports; we go over the last three months of our financial activity and project a budget over the next three months. In that we review every department—what forums are making in terms of profit and loss, what sales are making, what fund raising activities and parties are making. Where is the branch getting their money? Where are they losing their money? These are the kinds of things we're trying to get across to the comrades.

Another very important thing that the finance committee is doing is trying to get to every single comrade in private to go over the finances of the branch, make sure they understand it, and also to instill in comrades' consciousnesses that while they make up their weekly budget, they should budget the party into that.

The last point I want to make is that if comrades see progress in the finances—they get regular reports, they see the different departments functioning better—they will give a lot more to the movement. If they think their money is being well spent, they'll give more to the movement.

*Ralph S., Twin Cities*

The Twin Cities branch had a debt of over \$1000 at approximately this time last year. Right now we owe \$167 and by the end of August, we'll owe nothing. The way that we kept current and reduced this debt was the use of a very strict budget and as realistic a budget projection for every single department as we could make. We also incorporated the debt into the budget and budgeted a fixed amount of money to be paid off each month on the debt.

Now, when all the departments are budgeted very strictly, then this also means holding money that goes to various departments. For instance, *Militant* money—we hold that; we don't spend it so that at the end of the month you end up with not enough money to pay off *The Militant* bill.

*George B., Boston*

Our next goal in Boston which we haven't done too well yet is to coordinate with the YSA. I noticed—it was actually a surprise to me—the Boston *Militant* debt. It's listed as something like \$500 odd and unless I'm wrong, I would say a lot of that is the YSA. That is not just the YSA's fault; that's our fault because we haven't been coordinating *Militant* sales on a citywide basis, and we haven't been coordinating our finances with the YSA on a thorough enough basis. So you have to take the overall view and not allow one area of work to upset the whole applecart.

*Howard S., Lower Manhattan, New York*

I wanted to make a remark that is related to this. On the point about projections—they've got to be accurate projections which reflect the actual branch functioning. If your sales have been losing something like \$30 a month, the whole branch may be aware of the problem and might want to eliminate the deficit on sales. So you might project breaking even on sales the next month. You cannot do that unless you've taken the organizational steps to do it. Otherwise what you're going to be doing if you project sales breaking even is to be spending \$30 that you're not going to get in income and it will just mean falling in debt \$30.

*Ralph S., Twin Cities*

I want to mention the importance of the self-sufficiency of certain areas—campaigns, bookstores, socialist educational conferences, etc. In Twin Cities, the last two socialist educational conferences we had were almost totally self-sustaining. The last one cost something like \$30, but it had a budget of over \$480 expenses and losing \$30 is not that bad. It's the same thing that we did on our summer school. As a matter of fact we were so successful that the summer school made

a profit of \$250. That was an accident; it wasn't projected but it can happen.

*Jon T., San Francisco*

One thing that was touched on briefly but is important and easy to overlook is the matter of self-sufficiency of the YSA. Because it's not a branch department, it's easy for the YSA to in effect get a hidden subsidy by using the telephone, using stamps, and so forth. This isn't healthy either for the branch or for the local.

Sometimes there is a feeling that the branch has to pick up its finances and then the consciousness will drift down into the youth. That's not a correct approach; the local has its own finances independently, and it can be a drain on the branch just as much as any of the major branch departments. It's something that every branch has to deal with.

*White*

I want to make it clear that Jon is speaking as a former YSA financial director who was quite good on paying back some of these "subsidies."

*Ruth G., Portland:*

In Portland we aren't a large branch at all; we are small.

It's not enough to just look at the chart we have here. Portland has all these "x's" marked. Just looking at that offhand people would think, "Well, they must have really well-organized finances."

We stayed current, but several bad things happened. For instance, we didn't organize all of the departments—like *Militant* sales, literature sales and that kind of thing, so we were losing money on all these things, and we had to pay these bills out of the sustainer. This meant that we didn't have money left over in the branch for things like campaigns, for a headquarters, for a fulltime organizer.

For instance, as comrades can see, we lowered the sustainer to the national office; we cut down on the *Militant* bundle. Well, that didn't help about money coming in. It just meant that less money was going out. What it really takes is a conscious effort, like the panelists have outlined, make conscious assignments of comrades, go on an educational campaign in the branch to make comrades conscious of that type of responsibility and raise the sustainer base.

Now, since we developed that campaign, in just the last couple of months we can begin thinking in terms of raising our sustainer to the national office, negotiating for a headquarters and should in the next month or two be able to put an organizer on fulltime for the first time in Portland. This is going to be a big step forward for us. It's going to mean that we can do a lot more as far as the national office is concerned in raising our sustainer and that kind of thing. We'll be taking on more responsibility in the national organization.

*White*

I'd like to say one thing on what Ruth raised, be-

cause it's true that there is a certain category of problems in the branches that we didn't deal with at all. That is, the question of branches that really don't have an adequate sustainer base at this point to do all the kinds of things that George, Howard and some of the other comrades talked about. If you look at the middle column on the financial chart—the per capita pledge to the branch—you can see that there is a gap. We have a national average of \$25.10 which is quite good, a big increase over last year. But there are a number of branches that are significantly below that figure. Portland and San Diego are in a category by themselves in the sense that they really are focusing on a lot of things that other branches were concentrating on last year. They're new branches and it's understandable that because of not being established yet, they have still a longer way to go. I would say any branch that falls below the \$25.10 average should look over the pledges of individual comrades in their branch and see if they really think that they are getting all that they should be getting for party work or whether there should be a campaign to raise some of those pledges.

*Terry H., YSA National Financial Director,*

I just became financial director of the YSA nationally so I'm just beginning to get an overall picture of the financial situation in both YSA locals and the branches.

There has to be a real collaboration between the financial director and all departments in the party and the YSA. We've found so far the best form to carry this out is to have a financial committee which does have representatives on it of all the different departments—you have someone from the sales committee on the financial committee; you have someone from the bookstore committee—so that all departments are represented.

One other point is that in a lot of areas where both YSA locals and branches exist, formally the branches are responsible financially for book sales, if the bookstore isn't totally self-sufficient yet; or for *The Militant* or for the *ISR* bills. But the thing is that YSA comrades go out and sell *The Militant*, go out and sell the *ISR*, put up literature tables on the campuses along with party comrades. So there has to be a real collaboration between the YSA and the party on both the financial aspects of our work and also on plans for getting out our materials and our propaganda.

One thing that applies more to YSA locals than to party branches is that, for instance, all the money that is brought in from the sales of our press has to be sent to *The Militant* and to the *ISR*. We have found that in certain YSA locals what happens is that sales of *Militants* and sales of the *ISR* or sales from literature tables that are set up on campus take place and all this money is taken in—but into one pot. And then, you know, after a month or two months, you begin to send a little money in to *The Militant*, a little money in to Pathfinder. This just definitely can't be done at all because that's how the whole debt situation is going to be built up. You have to take that money from sales and you have to send it in to *The Militant*; you have to send it back in to the *ISR*. If you do that, you're on the way toward stabilizing and then beginning to pay off the back debt if you have any. The same thing exists with Pathfinder.

The same thing exists for things that are ordered from

the YSA and party national offices. There are certain things like brochures which the local or branch pays for but we pass out. We don't ask people to pay a penny when we pass out a "Join the YSA" brochure. We know we're going to be ordering a certain amount of material of that type, and we work that into the budget so that it doesn't become a financial drain.

The last thing is that it's really important to keep in close contact and collaboration with the national office. We have to know what's happening with the branches, what's happening with the YSA locals. Otherwise we're not going to begin to stabilize and improve our whole financial situation, both locally and on a national scale, which will be essential to take full advantage of all the opportunities we are going to have politically. YSA finances, party finances is the key to our being able to carry out the political tasks that we project for the coming period. So, that collaboration, that contact is just essential.

*Dave W., Oakland-Berkeley*

In the past period we've attempted to regularize income for the branch in terms of sustainers. Concretely, the way we've been doing this is the first of every month we've been phoning every single comrade reminding them that they should bring their checkbook to the branch meeting. Then on the successive weeks, we keep track of who has paid and who hasn't, and we use phone calls and even visits if necessary to help comrades who just don't seem to be able to cough up the cash. We have found if we do not do that, comrades fall behind and it can be disastrous. Consequently we keep on top of the situation.

One other thing: when we give our financial reports, we publish a list of sustainers on a weekly basis. We take the total budget of the branch; we divide it by the number of comrades and get the average load which comes out to be about \$7 per comrade. We also put the average sustainer which in our case happens to be around \$5.50 and we stress that the gap between the \$5.50 we get and the \$7 needed must be made up through fund raising. That drives home the necessity for fund raising.

One other thing, after we get raises from comrades, we put the raises on this list through asterisks. We point out that these are increases and at the bottom we put total increases per week. If comrades see the progress on paper, it will get much better results. Also we publish the list of arrears.

*John S., Atlanta*

On the sustainer to the N.O., our branch started out with \$7.50—halfway—and as we expanded the headquarters and things like that our sustainer increased, but we couldn't raise it above \$7.50. In the past eight months we began to have a little extra money, but we never seemed to get the income in a big enough chunk to try a \$2.50 or a \$3.00 increase in our pledge to the N.O. It always seemed like such a big chunk we never could do it. The way we worked it out was to raise our sustainer in a four-month budget over the spring period. We raised it 50 cents a month over the whole period that we were working out our budget. It worked out very well.