

ACTIVE WORKERS CONFERENCE

BULLETIN IV

July 19, 1945

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REPORT ON ORGANIZATION

The Active workers conference is not a convention to decide the political course of the Party or to adopt major positions on political perspectives. It is a meeting of the activists of the Party to assess the progress of Party work, to examine what has or has not been done, and to determine the best way of efficiently mobilizing the organization for the execution of the main tasks which are indicated by the political positions of the Party.

Our Party is a vanguard organization. It is composed of revolutionary socialists, of class conscious workers, who accept its program and are willing, by and large, to make the necessary sacrifices to achieve the victory of this program. The great task of the party is to win the broad layers of advanced workers to its banner and to integrate them in the organization. The building of the party means more than just to have a correct program. A program has to be translated into life through the agitation and propaganda of the party, through its press and its meetings, through its mass work, all of which lays the groundwork for the activities of the branch.

Branches are the basic units of the party. In an organization like ours, we need to rely almost entirely for growth on the work of these units. The party can be no stronger than its branches. It should be clear then why so much of our attention, time and energy must be devoted to the development of efficiently functioning units of the organization. Without these, it is impossible to talk about building a party.

In a party as small as ours, it is not enough for members to accept the program as correct. The party needs people who, in addition to accepting its program have organizational conviction and belief in the party, people who are confident of its future. In the last analysis, it is the party member who executes the program and makes it possible to build the organization. The party cannot be built by "tired" people, by people who have no faith in the organization, by people who are mentally and spiritually jaded, by those who are in constant need of artificial stimulation.

II

In discussing the activities of the party, it should be borne in mind that we begin with two important assets: 1. A membership active in the mass organizations of the working class; 2. a paper which has won to it a considerable following among the advanced workers. This is our capital and it is upon this capital that the party develops its activities.

Before detailing various aspects of party activity and outlining a program of action for the next period, it is necessary to make one general observation about the party.

We have an essentially good party, composed in major part of loyal, devoted and hardworking members who have conducted themselves in an exemplary manner during the past three to four years. It is impossible to recall another organization of like membership, in similar objective circumstances which has carried on in the manner of our party and maintained itself to the same high degree as ours. This is especially true in face of the severe losses we have suffered. But it must be added that our party has gone through a siege in this war. The membership is beginning to feel fatigue from the long and steady grind of work in war industries and the maintenance of a high level of party activity.

Mindful of this fact, it is necessary to state that the party cannot afford any diminution of its activities, and certainly cannot permit a process of de-industrialization or decolonization to take place. That such a process is present in the party is reflected by a tendency of some comrades to quit industry altogether, having regarded their industrialization as a temporary, war measure, and of other to return to New York on the ground that since the war is nearing an end, their colonization efforts must likewise end. To permit these tendencies toward disintegration to develop would prove fatal to the Party. Now more than ever before, in view of the rising tide of militancy in the labor movement, the Party must strictly adhere to its industrialization and colonization program. So far as the latter is concerned, it is of utmost necessity to continue to find comrades to colonize in one or more of the party centers.

III.

It is necessary to now give a brief resume of our main activity.

A. The campaign for the Labor Party has been, in general, a propagandistic-agitational campaign, with little or no practical results. The only part of the country in which the party was able to translate its program into practice was in Michigan in the MCF. In that single instance, the policies pursued and practical work of our representatives was creditable. Since then, the MCF has practically ceased to exist and is no longer an arena of activity for our people. Elsewhere the practical work consisted of the introduction of resolutions in the unions and speeches at union meetings and union conventions. In general, the campaign for a labor party has been carried on through the columns of Labor Action. If the campaign for a labor party lacked practical significance, it is due in large measure to elections of 1944 and the activities of the PAC. The PAC revealed what is possible in the way of independent political action by labor, namely, given the mass strength of the organized labor movement, it is possible to create a mass party of the working class which could shatter bourgeois political control of the working class for all time.

After the presidential election, the party adopted as its main slogan, transforming the PAC clubs into bases for a labor party. No great success has been experienced with this policy and as a matter of fact, not a great deal of organized and systematic work in this field has been done. Our major activity in the struggle for an independent labor party remains essentially propagandistic-agitational. Nevertheless, the party must continue along the lines adopted in its convention and plenum resolutions in an effort to hasten the process of political differentiation and finally, the political organization of labor as an independent force in American politics. That means to link the struggle of an independent labor party with the struggle of the Party for its reconversion program.

B. The mass work of the party has improved many times over the past. We have succeeded in establishing ourselves in several important localities and unions. During the recent conventions of the CIO international unions, the party was present physically and politically in five of them. It is no exaggeration to say that the party and Labor Action was directly and indirectly responsible for the militant voices raised there, most notable in the UAW, URW, USW, IUL and UE.

Most important of all, we have demonstrated an ability to recruit factory workers directly to the party and to keep them in the party. Yet, in spite of these successes, we are still a considerable distance from achieving the

aims set forth in the Trade Union Supplemental Report adopted at the last convention and readopted by the plenum of the National Committee. This will be dealt with in the trade union report.

Despite the obvious progress made in the mass work, our party membership continues to reveal a tremendous inexperience, timidity and cautiousness that are often unwarranted on the basis of concrete situations. The most important of these weaknesses is the inexperience of so many of our mass workers. This is a condition which, as indicated before, will be overcome by education and time itself. In the meantime, the National Committee in the absence of a functioning labor department, has attempted within the limits of its physical capacities, to guide closely the activities of our mass workers and to give them direction and education in the very process of their activities.

C. Shortly after the last convention, the recruitment drive was organized with a goal of 200 new members. A systematic campaign was planned and outlined. In many respects the campaign was a good one; but it fell short of its goal. In light of the goal and the character of the campaign, we were not wholly successful. Seventy-five new members were taken into the party. The recruitment drive indicated that it was possible to recruit new workers provided that it was organized and systematized into a regular activity of every branch in the party. There is too much the tendency in the party to recruit members only during campaigns when special efforts are made. Once a campaign is over, the work ceases. Thus, with a few notable exceptions, recruitment is not made the chief, all-embracing aim of every single branch. This is what it must become, if the party is to recruit not sporadically, but steadily, every day of the year. The Party must consider the organization of another recruitment drive after the completion of the program of action adopted. (see attached)

D. Our most important resource for popularizing our ideas and our party, for establishing contacts with broad layers of workers remains Labor Action. At the last convention, the circulation of the paper was stabilized between 20-25 thousand weekly. Toward the end of the year we carried through successfully, a sub drive for 4000 new subscriptions. All branches did well in the drive and through our mass work, obtained contact in a new and important industrial area, where sympathetic workers assisted in the drive. We have now over 4000 subscribers to the paper. This represents from a fifth to a sixth of the total printing of the paper. Obviously, this solid base for the paper, while seemingly formidable, is not nearly as large a subscription base for the paper that we want and need. We must seek to increase subscriptions by at least double the present figure.

With all the weaknesses of Labor Action, we have succeeded in turning out an exceptionally fine popular, socialist agitation paper, which has a wide circulation and has gained us many friends. But the party has not made the best use possible of the paper and the potential mass base that it gives us. The principal reason for this is the apparent inability of many of our comrades to understand exactly how to use the influence of Labor Action to recruit sympathizers and contacts directly to the CP. This is really the big problem which faces the organization and its solution will increase the rate of party growth. (A special report on this subject will be given at the conference)

A year ago or more, our program of action called for an N.I. subscription campaign to begin at the conclusion of the Labor Action drive. The failure of the N.I. to appear regularly on precise dates made it impossible to carry out this point of the program of action. The chief responsibility for this failure lies with the central direction of the magazine. In the last analysis, it is a question of manpower, but in this particular case "extraordinary" efforts were made to catch up. Yet, each time this was done, no appreciable change resulted. One of the main tasks of the N.O. is to ensure the regular monthly issuance of the N.I. and on time. Otherwise the N.I. cannot exist even formally as a monthly magazine. Under present conditions, it is practically impossible to promote the magazine and achieve the kind of circulation merited by its character.

So far as inner party education is concerned, the late appearance of the N.I. should have nothing whatever to do with its use as a means of furthering the fundamental education of party members, old and new. This is the responsibility of the executive committee of branches and its education director.

E. One of the outstanding weaknesses of the Party is its failure to issue pamphlets to supplement the work of Labor Action and to directly aid in the recruitment of new members. Despite the many decisions taken, the personal problem of the Center has militated against the realization of decisions made. Fortunately we are now at the point of overcoming some of our deficiencies in this respect and will soon have off the press the Party Program pamphlet as well as a pamphlet on reconversion. Propaganda pamphlets are invaluable for recruitment purposes, but they are also indispensable for the education of new members.

F. It is necessary again to try to establish a functioning educational department in the party which would develop a systematic program for the theoretical education of the party members, fundamental training of new members, and the preparation of general propaganda and agitational material. Like so many other tasks of the organization, its solution rests entirely on the availability of lack of availability of manpower.

IV.

Other aspects of party work.

1. At the last plenum of the national committee a discussion was held on one aspect of our public activity and the attention of the party was drawn to the fact that it was necessary for the party to function more openly, especially in its public affairs. Public meetings of the party, forums and social hide behind the name of Labor Action. Few of the branches and few public affairs of the Party are held directly in its name. At one time this policy was dictated by the nature of the objective situation created by the war and our inability during those early days to gauge accurately prospective developments on the home front. But for some considerable period of time, the Center has urged upon the branches to hold its affairs in the name of the Workers Party and to make of its headquarters and canters, Party centers.

Resistance to this change exists almost everywhere. Headquarters of the party are held in the name of Labor Action and most party affairs are similarly conducted. This situation must be changed and changed quickly. Comrades who complain that the face of the party is not adequately presented in Labor Action

must bear in mind that where so much of the activity of the party is conducted in the name of Labor Action, it becomes more difficult to present the face of the party in the press. Presenting the face of the party in the press is dependent largely upon the activity of the party and the nature of these activities.

2. In general however, there has been a greater public activity of the organization. More public meetings have been held than ever before. In addition to public meetings, public classes are conducted with regularly organized schools (New York, Detroit, Philadelphia). Without an educational department there has been more internal educational work than heretofore. Almost all branches hold regular branch classes, beginners study circles, and branch discussions. This work could be improved a thousand per cent with central direction and organization; the organization of such a department remains one of our main goals.

3. Colonization continued even though at a reduced rate. But branches have been strengthened through the depletion of the New York organization of its most experienced and oldest comrades. There are still many weak spots in the country that need assistance. Concentration must be on the Middle West. This is one of the problems to which the NO must continue to pay close attention. It is still possible for continued colonization although at a greatly reduced level.

4. Significant advances have been in our international work. We have more contacts abroad than we have had since the outbreak of the war. Our relations with the German section of the 4th International gives us an excellent base for the further development of our activities in that field.

5. We have made a significant start in the reestablishment of a youth movement. Groups exist now in New York, Philadelphia, Chicago, Madison and Syracuse. This is a sufficient base to begin the organizatory work for the establishment of a national youth organization. The National Committee has already laid plans for this. Next to our mass work, the youth work is most important. It is an invaluable source of new members and cadre elements for the party.

V.

The Branches and some of their Problems. As indicated in the opening of this report, the branches are the basic units of the party and it is upon their general functioning and initiative that the organization depends for its day to day life.

1. The branches, however, operate too haphazardly, in a less organized manner than they should. In general, the functioning of a branch, more so than any other type of party unit, is dependent on its executive committees. Too often, branch executive committees are selected on the basis of willingness to serve and not on the basis of talent, experience and ability. There are many instances in the party where the older, more experienced comrades do not take on their share of responsibility for the work of the party, refusing to serve on executive committees and directing the work of the basic unit of the party.

This is especially true in cases where it is necessary to elect branch organizers. Often an older and more experienced comrade will refuse the responsibility which he is obligated to undertake. He will refuse on the ground that the

job is drudgery, requires too much time, is too technical, etc. He does not often realize that he is himself responsible for such a concept of a party organizer.

It is not the duty of a party organizer to sweep headquarters (although there is nothing wrong when it is done). But there is a concept among many party members that this is precisely the main job of an organizer, in addition to opening headquarters, closing windows, and taking care of the pettiest and minutest details of the most technical kind. A party organizer must devote himself Primarily to the task of organizing and directing the work of a branch, leading the branch executive committee, insuring the proper execution of the tasks of every branch official, guaranteeing a proper relationship between party fraction and branch and organizing the recruitment work. The party organizer as the leader of the branch must be brought into direct relationship with contacts and serve as an additional link between the fraction and the party. If an organizer is saddled with tasks which are not really within the purview of an organizer's job, then the really important work of the branch suffers.

What is said here about the branch organizer is true of members of branch executive committees. Here too, younger and inexperienced comrades are compelled to take over responsibilities for which they may not yet be suited. The idea of training new members for responsibility in leading the organization, which is an excellent concept, is not what produces this condition. It usually is the refusal of qualified people to discharge their responsibility.

What we need in the party today is branch organizations with the strongest organizers and executive committees.

There will be a separate report on finances, but it will not be amiss to add a few remarks on the subject at this point. While on the whole the Party has done a truly remarkable job in the field of finances, there has been a serious decline in party income to the point where the organization faces a financial crisis. While the party must develop new sources of revenue, it should be pointed out that a considerable amount of the present difficulty lies in the failure of branches to discharge their obligations in a forthright manner. One of the principle reasons for this is the failure of some branches to elect as financial secretaries responsible people who understand that the problem of finances is an important political question for the party. Upon it rests the activities of the organization and the life of its national center. There are far too many jokes made about finances, too many references about the NO being a "collection agency," too many opinions that persons in charge of finances need have no responsibilities toward their post. In many cases, too, financial secretaries conduct themselves in just that way.

Financial secretaries should be among the leading comrades in a branch and they should be members of branch executive committees. This enables the branch EC to supervise the activities of the F.S. and be fully apprized the standing of every member in the unit. This would lead to mutual assistance of the leading branch committee in general and this particular case guarantee the smooth functioning of the party by insuring the financial obligations of the branches toward the NO.

In general, the stronger the executive committees in the branch the better will the branch function. National and city instructions would be better adhered to; branch activities would be integrated in a far superior manner than is the

case in many instances now.

Branch executive committees have as one of their important tasks the organization of interesting meetings, dividing the business and educational meetings in such a way as to spend a minimum amount of time on the former and a maximum on the latter. Too often, branch meetings are so poorly organized and conducted that they not only drive the new member home and make more difficult his integration in the party, but often send the older comrade away shaking his head. One of the reasons for this is that branch executive committees often do not meet sufficiently before branch meetings of long enough to properly execute their work. The hasty holding of exec. meetings before a regular meeting is a deadly habit which can only result in such exec's giving a minimum of their time and attention to the execution of party work.

One of the most important aspects of branch work is the coordination of its activities with that of its fraction. A fraction is subordinate to a branch and its activities must in general be supervised by the branch to which it is attached. This is important not only for the proper functioning of the fraction, and for giving the branch in turn, a proper orientation, but for the integration of new members who often are members of a fraction, but not of a branch. In some instances, this is even true of old party members, who become so engrossed in union work that they lose contact with the party as such.

Finally, there is still too much looseness in the organization and too great a failure on the part of branches to pay attention to circulars, letters, requests for information and instructions in general. Of course, branches may properly complain about the lack of direction and immediate answer to their mail from the center. We shall deal with this in a moment. The truth of this latter complaint does not erase the remarks contained in the above first sentence. In addition to this, there is a consistent and persistent violation of the Constitution which has to be ended if the party is to function properly.

VI

The integration of new members into the party remains as always a formidable task. Every revolutionary organization is faced with this problem in one form or another, depending on its program, size, type of activities, etc.

The change in composition and type of activities has helped to change the character of our party. Our task in recruitment is therefore considerably different than it was five or ten years ago. When we functioned as a political, factional organization, and sought to win educated radical workers, our problem was, in one sense, simplified. A person won to our party came in fully acquainted and convinced of its fundamental program. The problem of integration was thus also simplified. Usually, such a member was able to enter the organization and immediately take his place in the ranks along with other older and more experienced persons.

The demands made of our members in their recruitment activity was also different, since they recruited on a purely political basis among advanced and educated radical workers. They had to be able to discuss the most involved theoretical and political questions with convinced revolutionary workers to win them to our particular program and organization. If younger, less experienced and educated person were more timid in their recruitment efforts, that was

understandable.

Now, however, our recruitment work is of a different character. As a party which is more or less rooted in industry and mass organizations of the workers our field of recruitment is among the thousands of militant union workers who must be won over to the idea of a revolutionary program and party in general. Our task then is both simplified and more difficult at the same time. That is, our basic propaganda and agitation is along simpler class lines, but the task of winning uninitiated and politically unorganized workers is somewhat more difficult; their integration becoming the decisive question in recruitment.

In relation to the raw material with which we work, our members, every one of them, is a leader. There is no reason for timidity, hesitancy, doubts, etc. to effect the work of our members in recruitment. Our members are advanced elements in relation to their fellow workers in general and their contacts in particular.

It is necessary to overcome any hesitation in recruitment and we have demonstrated, on a limited scale it is true, but demonstrated nevertheless, that we can recruit and do it far more easily than is believed by many.

The more important problem however, is that of integrating new members. Here we are more inept than in our efforts to recruit. We recruit two types of workers to the party 1) advanced militants who are themselves leaders of hundreds and thousands of workers 2) the ordinary rank and file militant.

In a sense the problem of integrating both of these types is the same, though each type has its own special problems.

In relation to both types, it is necessary to carry on a fundamental education of them. In many cases we do not do this. This is a result primarily of the loss of so many of our able people and the preoccupation of members with practical work at the expense of education in the party. But it should be obvious that, without a planned and systematic education of all members, especially the new recruits, the problem of their integration becomes an insoluble task.

Next to the education of new recruits is the task of their gradual integration into party work and party life. This is a task that falls primarily on the shoulders of branch organizers and executive committees.

So far as the first type of recruit is concerned, we must understand that when such a leader of workers joins the party he does so because he has come to the realization that trade union theory and practice is not sufficient to answer the needs of the workers; and that they and he need a political party, a revolutionary socialist party and such a leader of workers is an invaluable asset to our party. But the average party member who is theoretically and politically superior to the mass leader lacks many of the abilities of such a person.

What we need in the party is a comradely exchange of knowledge, experiences and practices between this type of worker-militant and the party member. Such a recruit has his whole life rounded out by belonging to the party—he is given an all-embracing idea and goal, he is given a theory. This makes him a thou-

sand times better union leader. The average party member can learn a great deal from such leaders of workers who come to us with considerable experience in mass work. What is needed is a comradely exchange and a patient regard for the new member, his problems of integration in a political party of our kind and to create a rhythmic balance between the party, its older membership and the new member who comes to us already a leader in the mass movement.

What has been said above applies in considerable part to the rank and file militant whom we recruit. Too often the party members are unmindful of outside ties which are important to new members (home, family relation, etc). Such new members often get a fantastic idea of "party" views on these questions from members whose views on these subjects while regarded as "radical" are not really very intelligent. The party must understand that these new members come from a different milieu with different experiences and habits and responsibilities.

Here too the party must patiently seek to educate and integrate such a new member. Very often such new members become the property of the person who brings them into the organization, but they are never fully integrated in the branch to a point where they feel themselves a part of a national organization.

As an integrated part of recruitment, there is the preparation of party meetings and affairs which are so attractively organized that they win the immediate sympathy and interest of contacts. All branches should organize special educational meetings for which every effort is expended to make them go, for contacts and prospective members. These meetings should be guided in such ways that the persons brought to them cannot escape the conclusion that they belong, or should belong, to our party and become crusaders in its ranks.

The same is true of our public meetings, affairs and socials. At present it is only a rare occasion where this is true. As a rule our public meetings and affairs are unattractively organized and sometimes it appears as though our purpose is to drive prospects and contacts away from us. Our social affairs are a classic example of this--since so many of them resemble, not the affairs of a dignified political party of serious intent, which does not preclude a social affair, but social affair of little circles which do not elevate or draw in new members with a feeling of genuine comradeship.

We need to hammer home to all party members that they have a life aim as party members: to educate themselves so they become better party members; to become crusaders in the interests of our final goal. That means to have in one's mind at all times this aim:

I am a member of a revolutionary socialist party. My task is to win adherents to this party. This I must and shall do every day of my life as a member of the party.

With that kind of outlook the future of our party is guaranteed.

A final word on the question of leadership and the role of the national committee. The war, in taking its toll of the organization, has not spared its leading committee. One half of the leadership is no longer with us. This includes some of our leading functionaries. We operate now with a smaller and weaker committee, but with tasks that multiply daily. The national staff is exceed-

ingly small in relation to the tasks that confront it. In the real sense of the work, we do not have a departmentalized and divided responsibility. The work of the staff while formally divided, criss-crosses to all the activities of the national office and the political. These range from the political work of the organization to the nearest technical problems. Our national staff consists of four national functionaries, a business manager and stenographer to put out a weekly paper, monthly magazine, direct the political and organizational activities of the party, handle all financial, technical needs of the party and financial and technical needs of a national office, to do most of its literary work, its speaking, its political and organizational tours. The national center is constantly in a state of depletion where often only two functionaries and sometimes one remain to conduct the affairs of the party.

Our business office has also suffered from lack of steady personnel and continuous, planned activity. This is somewhat true of the national office.

We have now established a measure of departmentalization which cannot fail but to improve the work of the NO.

In any case, however, the volume of actual work of the leading staff is increased and the fundamental activity and progress of the party has improved. It must be pointed out that the leading committee has played the indispensable role in the party, in organizing and directing the important activities of the organization and its membership. In the true sense of the work, it has attempted to lead the party, to initiate its important turns, to initiate its decisive activities and to direct it in a personal way within the limits of its physical capacities. It has attempted to develop the activities of the party in consonance with its material resources. To say that a vast improvement is possible and necessary is to utter a cliché. That goes without saying. It is the opinion of the committee that the path for such improvement, development, and growth of the party lies in the program proposed at this conference to govern the party activities in the next immediate period.

Albert Gates

ORGANIZATIONAL REPORT

Proposed Program of Action

1. The main political campaigns of the party for the next period shall be:
a) around our reconversion program. The reconversion campaign shall be inseparably linked up with the labor party campaign; b) and for the defense of Europe and the European revolution from Allied imperialism, in line with our political analysis and position.
2. The following series of pamphlets and booklets shall be assigned to be written by the Publications Department.
 - a. Program of the Workers Party
 - b. Reconversion Program
 - c. Europe
 - d. Labor Party
 - e. Three American Revolutions
 - f. A polemical pamphlet against the SWP
 - g. An organizational manual
3. That we adopt the policy of sending all individual comrades, except in special cases, who return from other affairs, to concentrations in the industrial areas of the Midwest, specifically, Michigan, Chicago, Ohio, the West Coast and that we rigidly adhere to the policy of preventing any de-colonization, i.e. to prevent any comrades assigned to work in other areas, from returning to New York.
4. That we aim to have a full time organizer in every important Party center (Los Angeles, Chicago, Ohio, etc.) within six months to a year.
5. That we hold a provisional youth conference following the ATO, the aim of which will be to set up a national youth organization at the earliest opportunity.
6. That we initiate a subscription campaign to begin Oct. 1 and run to the end of the year. That another recruitment drive begin at the conclusion of the sub drive.
7. That we set as a task for the business office and the NO, the organization of Labor Action Clubs for the purpose of broadening the support to the paper and establishing a source of additional income.
8. If the manpower situation makes it feasible, we establish an educational department to organize and supervise the educational work of the party.

FINANCIAL REPORT TO ACTIVE WORKERS CONFERENCE

It is hoped that members will not throw aside this bulletin or place its discussion as the "last point on the agenda" because it is on the financial question. Just as all organizational problems are a function of politics, so is that of finances. Today, the financial question is one of acute importance in our party, and many of the criticisms of the functioning of the organization that will be made at the conference are due in no small measure to the lack of financial means in the party. The financial problem must concern not merely the National Office and each local treasurer, but every branch executive committee as a political problem of the highest importance.

SOME PRELIMINARY REMARKS

In the Workers Party as a whole, for the more than three years during which our income tax system of dues payment has been in effect, the system has functioned well. The generally excellent and prolonged response of the comrades to the fulfillment of their pledges is testimony to the morale of the organization and the belief in its principles. It is also testimony to the understanding of the need for the support of the party by its members, since they are the only ones who will contribute the bulk of its necessary revenue. And finally, the response of the comrades testifies to the willingness to sacrifice for the party: For along with the industrialization of the party members went sacrifice of higher income by many, plus job and employment hazards that the proletariat as a whole suffers.

The successful execution of the tax system has enabled the party to publish its magazine and weekly newspaper consistently throughout the war; maintain the national center; finance frequent national tours; hold a national school and some local schools, and two active workers' conferences.

These accomplishments only underscore the political importance of our financial system.

However, the party is now, and has been for almost a year, in a state of financial crisis.

We are not receiving enough revenue through the tax, which so far outweighs all other sources of income -- IA and NI subs, donations from sympathizers, etc.-- that our normal functioning is endangered. This is not to speak of expanding our activities which is not only necessary in the coming period, but even now, in the way of branch organizers, more functionaries, etc.

Some of the factors in the decline in party income from the tax include the continued involuntary loss of old members who faithfully and regularly paid a high tax; the declining income of members due to cuts in hours and loss of jobs, and replacements from people who are unable to pay the full tax. These factors cannot be overcome.

The factors in the decline that can be overcome and that we must therefore pay stern attention to are:

- (1) mal-administration of the tax set-up.
- (2) complete neglect of other sources of revenue.

CONCEPT OF THE INCOME TAX

The system of a graduated income tax rather than a system of flat dues payments was adopted by the convention of the Workers Party at the end of 1941 and went into effect in 1942. The motivation for the tax system was manifold: it would assure a steady party income; it would eliminate frequent periodic financial "drives" which take up time and energy and are of a sporadic character; not assuring a steady flow of income; it was a democratic measure, tending to equalize the tax by a graduated scale on the principle that those who earn more can pay more; it would obtain a maximum income for the party not possible through voluntary contributions left up to the generosity or lack of generosity of the membership; the tax would support all of the party functions, local and national.

The tax has lived up to its expectations and on the whole has functioned well. No other organization similar to ours, labor or political, has ever, in the memory of the oldest comrades, contributed proportionally so much. There has, consequently, been but one drive, and that a very special and warranted one, for funds of any kind outside the regular tax, since the latter inception.

How can the present difficulties in administering the tax be overcome?

First, it is necessary to eliminate the feeling of annoyance that many comrades feel toward the problem of finances, both towards paying the tax and towards the administration of finances in the branch. This can be done only if comrades understand the importance of finances to the political well-being of the party.

There is on the part of other comrades the feeling that the tax is an unwarranted hardship. As a result of this feeling, some comrades--not too many, to be sure--try every means to avoid paying their requisite share of the tax. The party fully recognizes that for the working-class--and most of our members have that job status--it is often a sacrifice to meet party assessments. But the party makes provisions for the reduction of the tax in the case of need. And however great the sacrifice, we recognize that in the main, only loyal comrades who understand the tasks of the party, will support the party.

Other comrades have remarked, "the branch is just a collection agency for the National Office." The branch is partly a "collection agency for the NO". But the NO or, rather the Political Committee - uses the money to publish Labor Action and the New International for the party as a whole, to maintain a national center for the party as a whole and to pay the functionaries who work for the party as a whole. But the branch is not merely a collection agency for the NO. Branches deduct a minimum of ten percent -- and in most branches, more-- for their local functioning.

The tax therefore supports all the activities, local and national, of the party.

MAL-ADMINISTRATION OF THE TAX

Despite the directives that the NO has sent to the branches on more than one occasion, all branch treasurers are not members of the local executive, let alone in some cases responsible branch members. The post of treasurer is usually delegated to someone "to give Jones, who is new, something to do, since he can't do anything else."

Tax forms, ten times simpler than any government income blank, are incompletely, illegibly, or incorrectly filled out. Treasurers do not list salaries of members, back dues, dependents. "Remittance" does not correspond with check or money order sent in. Columns are not even added correctly! Deductions are not listed.

This is a serious and widespread violation of procedure; branches deduct more than their ten percent or whatever their allotted deduction is, sometimes without explaining why, and always without asking permission of the Political Committee. Since this tax is due the national organization, such procedure amounts to saying, "This week we shall not pay the printer of Labor Action," or "Next week we shall not pay wages." When the tax anticipated and due is not forthcoming, that is exactly what happens.

Branch and city executive committees have allowed delinquent members full rights when according to the constitution they should have been expelled or suspended for non-payment of dues. This procedure flouts the will of the convention, which considered financial good standing such an elementary token of loyalty and activity that it provided for suspension for three weeks' delinquency and expulsion for six weeks!

~~Collections due~~ the National Office are not sent out weekly, which means that we often cannot pay our creditors weekly. This erraticism lowers the always precarious credit of a revolutionary party and paper.

In a (fortunately) few cases, old party members or leading comrades ask for "special" exemptions or become delinquent in their tax payments. What this does for the attitude of the new member who might be hesitant about his stiff assessment is obvious,

Branches have failed to make consistent collections from comrades in sports' work, and in some cases do not collect at all. Our records show that these contributions are absolutely vital to the financing of our regular activities, since these comrades have contributed almost a sixth of our total income over a yearly period!

Some branch, treasurers and executive committees do not answer repeated communications on financial matters.

THE MOST SERIOUS NEGLECT

With here and there a rare exception, party branches do not attempt to raise money outside of the tax.

They do not plan in advance so that a national tour can pay for itself through public meetings and contributions by collections. They do not under-

take parties and socials frequently enough for the financing of any special local activity. They neglect consistently to tap outsiders for donations to the party or to Labor Action.

Since it is likely that the already declining regular tax will decline still more in the coming period of cutbacks and layoffs, it is of extreme importance that the party receive money from other than its regular members who will not be able to finance its activities.

A NEW PROBLEM

With the recruitment of new worker members who do not fully understand the traditions of the party, branch executive committees face the problem of what to do when the prospect for membership finds the tax rate too stiff a hurdle. The reasons may vary. There may be family opposition. The worker may feel it is too much to invest before he has "tried out" the party through a period of association and activity.

We have no uniform policy to settle this question. The PC has recommended in the past that an adjustment be made for the probationary period by the branch executive and the PC, and that after the probationary period of two months, the comrade pay the full tax. Perhaps this does not fit all cases. The committee, however, and every branch executive, so far as is known, have never allowed inability to pay the tax stand as a barrier to membership.

It is desirable to have a uniform rule on new members, if it is possible (it may not be). The best way of deciding this is to poll experiences of the branches at the conference itself.

THE NEW INTERNATIONAL

The party takes a financial loss on the magazine. This is due to two reasons, the second dependent on the first: 1) the magazine does not appear regularly or on time and 2) no promotion whatsoever is undertaken. A fair amount of income is received despite this, both from sales of copies and bound volume orders. This proves the magazine could make a profit if it were issued regularly. Naturally, the subscription drive for the NI proposed at the last meeting of the National Committee, could not be carried out in these circumstances.

PROPOSALS FOR IMPROVING THE FINANCIAL SITUATION

1. Each branch shall have a financial director who is a member of the Executive Committee, and whose duties are:

- a) Collection of tax, keeping records, paying local bills and NO.
- b) Communication on financial matters with the NO.
- c) Acting as financial director for all local transactions, including raising money for meetings, tours, etc.
- d) Being in charge of a local program to raise money for the party from sympathizers and through branch activities.

2. Branches shall observe all the rules in regard to individual exemptions, branch deductions, etc., that have been communicated so many times. (The initiation fee of \$1.00, rarely paid but provided for in the constitution, shall be collected from new members.)

3. Each financial director shall undertake a money-raising program in

cooperation with the local executive committee--from sympathizers, party socials, etc.

4. The NO shall undertake to set up Labor Action clubs whose purpose, aside from gaining subs for the paper and sympathizers for the party, shall be to raise money for the organization through clubs.

Labor Action shall undertake to raise money directly for the support of the paper from its readers and friends, through a consistent money-raising campaign of the type carried on by the Daily Worker, The New Leader, and similar papers.

The conference will make numerous proposals for the tightening up of the activity of the party and the expansion of its present activities. A precondition for such activity or a concomitant of every such activity, is the proper financing of that activity. Our present sloppiness and neglect in financial matters means that we start with a deficit. In order to increase our activities and improve our functioning, it is necessary to give sober attention to financial matters in order to eliminate the chronic financial crisis.

It is recommended that even prior to the conference, every branch consider these main points:

- 1) Electing a Financial Director who is a member of the EC.
- 2) Properly administering the present income tax.
- 3) Planning a long-term money-raising campaign outside the regular channels of party income.

Mary Bell, Financial Director