

December 1, 1946

TO ALL MEMBERS OF THE WORKERS PARTY:

TO ALL BRANCH EXECUTIVE COMMITTEES:

Dear Comrades,

Enclosed you will find a copy of the "Resolution on the Eight Page Labor Action," adopted by the recent plenary session of the National Committee. It provides the motivation for this letter and we ask that this resolution be read to the branch meetings in conjunction with this communication,

The expanded Labor Action, launched by the Party on August 1st, is now entering its fifth month of publication as an 8 page weekly. Eighteen consecutive issues of the eight-pager have been adequate as a demonstration of its all-round superiority over the 4 pager. This superiority and the advantage to the Party in almost every phase of its life and work -- national and international -- have justified the decision which converted the paper to an eight page weekly.

If four months of the actual existence of the paper proved adequate to demonstrate the advantages from the 8 pager, and has justified fully the energy, effort and sacrifices of the Party to achieve it, it has not been adequate to achieve its stability. It took almost \$9,000 of the \$15,000 fund money and the bulk of the normal income to the Party for the months of August through November to launch and to sustain Labor Action for the first four months. The political profits from the financial investment are only now beginning to appear. The most important immediate task before the Party is to stabilize the 8 page Labor Action.

Financial reports show conclusively that the financial situation in the Party has been improving steadily; more, that the improvement is marked and highly encouraging. The Party has been operating on a deficit for almost two years. Through the reorganization of finances, the Party has consistently increased its income and has systematically whittled away at its deficit.

For example: In January, 1946, the total income to the Party from all sources (dues, L.A., N.I., etc.) was \$1,256.48. In November, the total income from all institutions was \$3,621.77. The income from dues in January was \$914.00 and in November \$2,170.46 was collected in dues. In January the income to Labor Action from subs and bundles totaled \$40.00 and in November \$425.00. In January the income to the New International was \$100.00 and in November \$400.00. The average monthly income from all institutions (exclusive of contributions from found money) for the months of August through November was \$3501.69.

Income from dues alone has more than doubled since January.

Income from dues - 1946 - January	- \$	914.00
August	- \$	1,746.68
September	- \$	1,642.79
October	- \$	1,813.43
November	- \$	2,170.46

This highly gratifying improvement an achievement in itself, however, has not been adequate to establish as yet a balanced budget in the Party. But the trend is clearly in that direction and for the first time in over two years we see the practical possibility of attaining a balanced budget -- a balanced budget not on the \$2,000.00 budget of 1945 or the \$3,500.00 budget of January to April, 1946 -- but a balanced budget of \$5,000 necessitated by the expanded organization and press.

It costs \$2,300.00 per month to issue the 8 pager or about \$600.00 more per month than the 4 pager, yet real income (i.e. from subs and bundles) to L.A. which in January (4 pager) was under \$50.00 and which has risen progressively since the 8 pager has never exceeded \$411.00 in one month (November, 1946). This deficit has been covered by contributions from the fund and from normal party sources of income, as follows:

	<u>To L.A.</u>	<u>To N.I.</u>	<u>Total Press Cont.</u>
Aug.	\$1,575.58	\$325.00	\$1,900.58
Sept.	\$1,214.00	\$275.00	\$1,489.00
Oct.	\$1,300.21	\$250.00	\$1,550.21
Nov.	\$1,846.00	\$275.00	\$2,121.00

We are an organization that has been operating on deficit financing for several years. Running at a rather large deficit the party nevertheless developed a radical expansion program which went into operation during a period of rising costs. Our first task was to bridge the deficit. The following figures will indicate the trend:

In the months of January through April when the party operated upon a budget of \$3,500.00 per month, our average monthly deficit was \$2,544.93 .

In the months of May through July when the party operated on a budget of \$4,000.00 per month, the monthly average deficit was \$3,008.42.

In the months of August through October, the party, operating on its present budget of \$5,000.00 per month recorded an average deficit of \$1,394.23. That is, the deficit of the party considered absolutely has been reduced by \$1,000.00 and relatively (\$3,500 budget as compared to the present \$5,000 budget) by \$2,500.00. The trend is significant and encouraging. The \$1400.00 month deficit can and will be bridged.

We cannot predict that in three or six months we will have achieved a balanced budget. We are confident on the basis of all figures and indications that this already sharply reduced deficit will continue to be progressively reduced. Income to Labor Action has been progressing upward since the start of the 8-pager. (November income from bundles and subs was \$94.27 greater than in October.) Similarly, the income of The New International has been greater. (November income to the N.I. was \$146.69 greater than October. However, discount \$50.00 of this as "abnormal" income obtaining from the special effort in the N.I. sub drive. Normal income has increased by \$100.00 in November alone.) While we cannot expect this rate of increase to continue on the same high level, we have every reason to anticipate further increases which will raise the total income of the publications department. We also anticipate some increases in dues income (increased per capita in three locals). All evidence points to the continued trend toward balancing the budget in the party.

The state of party finances, as can be seen, is very much improved, yet the financial situation is more acute than it has been in many months. This obtains from the fact that when the party was running a deficit of between \$2,500 and \$3,500 per month, we were in a position to draw upon our reserve or fund money. These sources have been exhausted for over two months. The party is in need of some added funds to cover the deficits accumulated and those anticipated for the next several months.

The national plenum, examining the improved state of finances and the stabilization of the party stated: "There is ~~ov-~~ery ground for believing that the full time staff and the eight-page Labor Action not only need to be but can be maintained intact, and no ground for proposing to the membership a reduction in the staff or retrenchment to the previous four-page Labor Action. Such a retreat is in no way indicated under circumstances where the party is making progress along the main lines of its activities. On the contrary, this progress calls if not for a further expansion of its agitational, propagandist and organizational work, then at the very least for a maintenance of this work at its present level.

Therefore, toward the end of assuring the existence of Labor Action in its present size, the Political Committee is instructed to issue an appeal to every party member, in the name of the National Committee, which calls for such an increase in the regular contributions of every member as will wipe out the deficit which threatens Labor Action's existence, bring the party budget into balance and thereby provide the means for an immediate further expansion in the party's activities.

The Political Committee is further instructed to launch immediately a drive for a special Labor Action Sustaining Fund of \$5,000-\$7,000 to be raised within two months from among the membership and the sympathizers of the party and the readers of the party press.

The National Committee appeals most urgently to every single party member to exert his every effort and to make every sacrifice possible in order to assure the party of the maintenance of the eight-page Labor Action as the most important political instrument we possess in the conduct and extension of our political activity."

The plenary session of the National Committee authorized the launching of a fund drive setting its goal at \$5,000. In implementing this decision we regard the \$5,000 goal as an absolute minimum and have set a one month period in which to raise this sum. All party members and sympathizers will be called upon to make a New Year's contribution toward the stabilization of the 8-page Labor Action. We ask that Labor Action be added to the list of Christmas and New Year gifts of each member of the party.

Here are the essential facts on the drive:

1. PURPOSE - To raise a minimum of \$5,000 from party members and sympathizers. This money is to be used for the stabilization of the 8-page Labor Action.
2. TIME - A one month drive beginning December 15th and ending January 15th, 1947. All contributions and pledges to be in by the deadline date of January 15th.
3. SEND A NEW YEAR'S CONTRIBUTION TO LABOR ACTION.

4. QUOTAS -- Quotas are set on the basis of an average contribution of \$10.00 to \$15.00 per member. This variance of up to \$5.00 is based upon the employment situation of the memberships in the respective branches. Quotas suggested are as follows:

<u>BRANCH</u>	<u>QUOTA</u>
Akron	\$150.00
Baltimore	25.00
Buffalo	300.00
Boston	35.00
Chicago	500.00
Cleveland	150.00
Detroit	300.00
Hibbing	5.00
Louisville	65.00
Los Angeles area	200.00
Newark	200.00
New York	2100.00
Philadelphia	250.00
Reading	75.00
San Francisco	300.00
St. Louis	40.00
Seattle	200.00
Youngstown	35.00
Miscellaneous	70.00
	<u>\$5000.00</u>

We are confident that every party member will contribute all that he or she possibly can toward the stabilization fund of the 8 pager. The response to our \$15,000.00 drive and the generous sacrifices made to launch the expansion program and to sustain the party, assures us of the fullest cooperation of every member to guarantee the continuation of Labor Action as an 8 page paper. The quotas set above are, as we have stated, based upon an average of \$10.00 to \$15.00 per member. We are confident that party members who can dig down and contribute \$50.00 or \$100.00 will surely manage to do so. There is no greater Christmas or New Year's cause than the sustained progress of our party and our press. No cause deserves consideration over this primary one. We are hopeful that the maximum contribution of each member will result in a large over-subscription of the \$5,000.00 minimum.

In considering the goal for the drive, the plenum was presented with two alternatives: \$5,000 or \$7,000. The plenum agreed upon the lesser as a minimum figure. We hope that the response to this appeal will result in an oversubscription of the quota that will net Labor Action closer to the larger figure. It is on this basis that we ask every party member to give everything they can possibly manage.

5. DIRECTORS -- The Political Committee is responsible for the organization and the conduct of the national drive. Comrades Shachtman and Gould are to direct the national campaign. In each branch, the branch organizers will be the campaign directors, responsible for the conduct of the campaign locally.

6. PRESENTATION -- The branch executive committees, after consideration of the question, will prepare a membership meeting at which the necessary communications will be presented and a report given. Branch members will be asked to make pledges and to stipulate the time of payment. Members should be urged to pay as much of their pledge as is possible the same night.

7. COLLECTION -- Branch organizers will supervise the collection of all pledges. Every effort should be made to collect the bulk of the pledge money within the first two weeks of the drive, that is, prior to New Year's Eve.

8. SYMPATHIZERS -- Every sympathizer of the party should be approached for a New Year's donation for the stabilization of the eight page Labor Action. Even where branches rely heavily upon such sympathizers to finance local activity, they should be approached for donations. We are sure that an appeal for the stabilization of Labor Action will not interfere with local sympathizer sustaining funds. The special appeal for Labor Action will carry weight with every reader of the paper all of whom are gratified with the improved L.A. and are determined to sustain it as an 8 page paper.

9. CHRISTMAS AND NEW YEAR'S EVE PARTIES -- We urge each branch to make its Christmas and New Year's affairs parties for the 8 page Labor Action. We urge the branches to allocate a minimum of 50% of the profits of these affairs toward the Labor Action campaign. Where it will not tax the resources of a branch too greatly we urge the branches to contribute all profits to Labor Action.

DINNER PARTIES FOR THE 8 PAGE LABOR ACTION -- Several comrades in New York commercialized their Thanksgiving Day dinners. Private parties were arranged and guests were charged for their plates allowing for a nominal profit. The profits of these private dinners were turned over to the party. We urge party members to follow this example in arranging Christmas and New Year's dinners. Give the profits of these dinners to the fund drive to stabilize the 8 page Labor Action.

While we conduct this effort to raise at least \$5,000 for Labor Action, we must continue the present level of sustaining fund payment and where possible increase the regular pledges, particularly in those branches with a low per capita record.

The substantial gains made by the party in the past six months will be further expanded, the rate of advance sustained and even increased by the financial stabilization of our press and party.

The party and its friends are called upon to raise a minimum of \$5,000 by January 15th. The success of this campaign will assure the continued publication of Labor Action as an 8 pager. We call upon all members and friends of the Party to rally behind the 8 page Labor Action, to secure its publication by contributing as liberally as possible to this fund drive.

With comradely greetings,

Max Shachtman
Nathan Gould

Campaign Directors

Resolution on the Eight-Page Labor Action

Having heard the report of the Political Committee on the state of the party in general and the state of the press in particular, the plenary meeting of the National Committee takes note of the following facts:

The reception accorded the issues of the eight-page LABOR ACTION that have so far been published confirms the great importance which the Party attached to the enlargement of the size and the strengthening of the political content of the paper, which has given the Party as a whole a far more effective instrument of agitation and propaganda than it possessed previously.

Corresponding to the advance represented by the transformation of the paper to eight pages, there has been a distinct improvement in the morale and activities of the Party as a whole, a greater ability and readiness to carry out the decisions adopted at the last Party convention.

In spite of the fact that much of the deadwood has been removed from the rolls of the Party, these removals have not impaired Party membership. The membership has been maintained by the addition of new members through recruitment. This recruitment, while still modest, is steadily and unmistakably on the increase.

The financial position of the Party has improved just as steadily and unmistakably, especially with respect to the regularization of the payment of dues and contributions from the membership of virtually all the Party branches.

LABOR ACTION was distributed free for four years. Since the increase of the paper from four to eight pages, however, LABOR ACTION has been sold on the newsstands and by individual sales for five cents a copy. This means that when newsstand, subscription and individual sales are considered, the paid circulation of LABOR ACTION is higher than ever before. While the efforts of the branches in pushing the sales of the paper are far below what they should be, there is undoubtedly an improvement in the paid distribution of LABOR ACTION.

The circulation of THE NEW INTERNATIONAL is higher than it has ever been during the past six years. The circulation of the magazine continues to rise each month.

The financial deficit in the budget of the national organization, covering all enterprises and activities, has already been cut in half from the figure originally estimated for the deficit that would be incurred every month following the publication of the eight-page LABOR ACTION and the expansion of the staff of full-time Party workers.

The National Committee notes, further, that the reserve funds drawn upon up to now to cover the monthly deficit involved in publishing the eight-page LABOR ACTION and maintaining the full-time staff, have already been exhausted, thus imperilling the very existence of LABOR ACTION as an eight-page paper as well as the full-time staff, both of which have contributed decisively to the pro-

gress made by the Party in the preceding period.

In view of the foregoing, the National Committee resolves:

There is every ground for believing that the full-time staff and the eight-page LABOR ACTION not only need to be but can be maintained intact, and no ground for proposing to the membership a reduction in the staff or retrenchment to the previous four-page LABOR ACTION. Such a retreat is in no way indicated under circumstances where the Party is making progress along the main lines of its activities. On the contrary, this progress calls if not for a further expansion of its agitational, propagandist and organizational work, then at the very least for a maintenance of this work at its present level.

Therefore, toward the end of assuring the existence of LABOR ACTION in its present size, the Political Committee is instructed to issue an appeal to every Party member, in the name of the National Committee, which calls for such an increase in the regular contributions of every member as will wipe out the deficit which threatens LABOR ACTION's existence, bring the Party budget into balance and thereby provide the means for an immediate further expansion in the Party's activities.

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