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by Barry Sheppard

The party is in a period of accelerating expansion, reflecting the increasingly favorable objective situation, and our political and organizational ability to build the SWP through our participation in the emerging mass movements.

These new opportunities simultaneously present us with new organizational challenges. The expanding needs of the party require a continuing process of tooling, retooling and expanding the organizational functioning and apparatus of the party both on a national and branch level. In this process of organizational expansion, adjustment and readjustment, we have no detailed blueprints, no Little Red Book with all the answers.

Branch Functioning

For the past two years, organizational reports to plenums and the convention of the party have stressed the importance of tooling up and improving each of the branch departments. It was pointed out that the best measure of how well the branches are responding to the new opportunities is how well they have developed all sides of their work and all of the branch institutions and departments.

We continue to make advances on the branch level in this regard, although some areas of work are generally better organized than others, and some branches ahead of others. These advances as well as areas where we need improvement are indicated in the branch functioning chart which was drawn up on the basis of the branch survey we recently conducted.

One area where important steps forward were taken was in the 1970 state and local election campaigns. These were the best off-year election campaigns we have ever run. They were more extensive in scope; we ran 75 candidates in 15 states. They had greater political impact than similar campaigns in the past. The choice of candidates reflected the emerging mass movements and the kinds of activists we are recruiting to the SWP and YSA. They were more interventionist, raised more local issues, confronted the capitalist party candidates, and were tied into our general political work in the mass movements. Through the campaign activities, campaign leaflets and brochures, these campaigns helped project an image of the party as an interventionist party, one which has answers to burning social problems, and provides leader-

ship in the mass movements, and which is serious about organizing a revolutionary socialist combat party capable of leading the struggle for socialism through to victory.

An area of major improvement has been branch bookstores. At the 1969 Plenum, we had 11 bookstores out of 12 branches. We now have 18 branches, and 15 bookstores. In a number of areas, there have been dramatic increases in bookstore sales. Improved bookstore organization has transformed the situation in a number of areas where the bookstore was a drain on the party's finances. Now these bookstores are making money, helping to pay for the rent, or helping the branches in other ways. Some branches are still lagging in this regard, however. Comrade Judy White will go into this question in her report.

In 1969, nine of the 12 branches had regular weekly meetings. Two had irregular meetings, and one had bi-weekly meetings. Now all 18 have regular weekly meetings. The organization of fractions, committees, and comrades responsible for areas of mass work has improved. Since 1969, the number of comrades assigned to work full time for the branches has doubled, in addition to an increased number of branch members working full time in antiwar work, and other areas. Additional progress has been made on reducing what we have called the "activist overlap" with the YSA. Not a single branch organizer is a member of the YSA, even though some are in their early twenties.

In 1969, nine branches had weekly forums, one every two weeks, one monthly, and one didn't have forums. Now 14 of the branches have weekly forums, one has a monthly forum, and three of the newer branches have yet to establish forums.

Comrades may be startled by two figures in the national membership survey. These two figures are the percentage of the present party membership recruited in 1970 and 1971. As you can see from the chart, almost one-third of the present membership of the party has been recruited since the beginning of 1970. This acceleration in our rate of recruitment means we must pay special attention to the problems of educating and assimilating new members.

Two aspects of accomplishing this must be kept in mind.

The first is that new members should be given branch assignments as soon as they join. Generally speaking, work on selling the press should be one of these.

The second is education. The branch functioning forms indicate that this is an area that needs improvement and leadership attention. New members must be taught the fundamentals of Marxism, our program and history as well as our current tactics and strategy in the mass movements. This is an important part of educating and assimilating the new forces coming towards us, and of carrying out our number one job of turning these people into rounded Trotskyist cadre.

Frank Boehm described yesterday the progress the YSA has made in organizing its regional work. One branch responsibility is collaborating with the YSA in regional work, helping the YSA in the political and organizational work with the locals in the region as well as reaching out to new areas in the region. Progress has been made in the past few months in this work. Every branch but two are doing some regional work. The importance of this work was indicated in the fall subscription drive, where it could be seen that the performance of YSA locals in the region was in part a function of how well the party and YSA in the regional center helped the outlying locals understand both the importance of the drive and how to successfully complete it.

Branch Size

Several branches are either rapidly approaching 50 members or are already over that. As you know, the constitution says that the National Committee should decide on the question of division of branches over 50 members. Our policy has been, and we propose to continue it, to look at this problem not as a purely arithmetical one. We do not propose any purely arithmetical criteria, where we would say that at a given size, branches must divide. There must be essentially political reasons to divide, which must be taken in the context of the political and organizational situation of each branch as a whole.

Excessively large size, like exists in New York, creates political and organizational difficulties. It makes the education, assimilation and organization of so many people more difficult. After careful consideration of these problems in the context of the political and organizational situation of the New York branch, the New York branch has decided to divide. This experience in New York will be valuable, but other branches will not

be able to simply copy what New York has done or will do. Each case will have to be considered separately, and any decision to divide or how to divide made after careful consideration of the overall situation of the branch. We have no recent precedents to help guide us, and thus we will have to feel our way in this area, in line with our general organizational theory. What we can say about this problem from the point of view of that theory is reflected in the constitutional requirement that when a multiple branch setup is established in a city, we must also establish another structure, the local, which is the highest body of the party in the city and which has political responsibility for the overall work of the party in the city.

National Expansion

At the last Plenum, we made a number of projections for the expansion of the party nationally revolving around the Oberlin Activists conference, originally projected as an active workers conference to help tool up the party organizationally. Well, it did that, but developed also into something much more. It became both an activists conference and an important educational conference, that brought together 700 YSA and SWP comrades. Besides the work that was done at the conference itself, we came out of it with a new series of educational tapes and articles, several additional organizational bulletins and a book of the basic Oberlin speeches that Pathfinder will bring out in the spring.

You will remember the projection Al Hansen outlined last year of obtaining the new press which we presented to the Oberlin Conference. That has been accomplished. This is the kind of expansion project which we will reap the benefits from for the whole next period.

Also projected at the last Plenum was the creation of a national financial department headed by Comrade Judy White. This major advance resulted in better financial functioning at the center, better communications on finances with the branches, and has helped branches make improvements in their finances. Besides the regular communications, direct contacts through visits by Judy have also proved useful. We project a national tour by Judy to all the branches in the spring.

Now I want to take some time in discussing national finances, and how the party finances itself on a national level. There are two general categories of the national financing of the party. The first is the collection of special funds, mainly lump-sum donations, to

be used in party expansion projects. This continuing fund -- let's call it the special expansion fund -- is what was projected at the Oberlin Conference and the YSA convention, but which is an ongoing fund throughout the year. The second general category is the regular budget of the national office.

Concerning the special expansion fund. At the YSA convention we found that some party leaders misunderstood or lacked information on just what this fund is and how it is operated. We found a feeling that because the amounts we were shooting for are so big, that smaller contributions can't really make a dent. Another concept was that the national office must have lined up the fund before Comrade Novack made his appeals. At Oberlin, Comrade Novack pointed out that a certain amount had been pledged before the conference. But the rest was pledged at the conference itself or in the period after. At the YSA convention, there were no pledges before hand.

It is the responsibility of the whole national leadership to take the lead in organizing every party unit to be conscious of seeking out comrades who have access to large or small amounts of money for this special fund, and motivating them on the importance to the party of making such donations, and what concretely they can do to help party expansion. This is an ongoing and continuing process, not only to be done at gatherings like the Oberlin Conference or conventions, although we project continuing to use those gatherings to raise consciousness on this question.

I want to turn now to the regular party budget.

On the income side. There is an item called special donations. These donations are different from the donations that go into the special expansion fund we have just talked about. These are not, generally, lump-sum donations, but regular monthly pledges that comrades or friends make directly to the national office. That is, certain comrades and friends are in a position to make a regular monthly pledge to the party, over and above their regular pledge to their branch. When we come across such people, the principle we should follow is that any amount over and above their regular pledge to the branch such people can give should go to the national office. This should be arranged directly between the national office and the comrade or friend concerned, and they are responsible for the payment of this pledge directly to the national office. This is a category that is important in the regular functioning of the party national center, and one

which we can hope to improve as we continue to expand.

Financial Goals

Our budget projection includes a deficit. This deficit does not mean, however, that the party is running into hock. It is made up from funds from the special expansion fund we talked about earlier. Thus, some of the special expansion funds are used in the expansion of the center itself. The projection of this deficit is based on a calculated estimate of what is realistic, with the knowledge that we can expect these special donations to continue, that we will keep recruiting people who have access to varying amounts of money they can give for the party's expansion. It is also based on the expectation that as the party's functioning improves on all levels, the regular income from the branches into the party center will go up. In this aspect of it, the deficit represents a calculated projection of expenditures before we have the money in hand but which we can expect to receive. However, this deficit does mean that a certain percentage of the special expansion fund must be diverted from other expansion projects. Thus, we can see the crucial importance of the regular payments by the branches to the national office.

Looking at the budget more carefully, we see what effect meeting the regular branch obligations has on the finances of the party. On the income side, there has been a gap between the dues owed the national office and the dues actually paid; and between the sustainers the branches have pledged the national office and the amount paid. There have been improvements in both categories recently, but there is still a gap. This gap means that funds from the special expansion fund must be diverted to cover it. There is also a gap between bundle bills to the branches and the amount the branches actually pay.

If the branches were to keep current on all their regular payments, we could cut the deficit approximately in half. If we were now at the level of sustainer to the national office of an average of \$15.00 per month per member, the deficit would be practically zero.

To sum up: we should project three immediate and key goals for the next period. 1) to pay in full and on time the current dues; 2) to pay in full and on time the current sustainer; and 3) to pay in full and on time the current bundle bills. If we can achieve these goals first, then we can move towards paying back bills, and continu-

ing to move forward towards our goal of \$15.00 as a national average of sustainers to the national office per member per month.

Now, one of the problems we face is that branch financial needs are growing along with national financial needs. These of course must be also taken into account and steps taken to improve branch finances. But since our objective is to build a strong, centralized national party, we have to be careful to avoid any tendency to subordinate the needs of the center and national expansion to those of the branches.

The party center has experienced a big expansion in the past year. The number of people able to volunteer to work full time in the center has risen 40 percent in the past year. We have moved to much more spacious and modern offices, which can accommodate our expansion needs.

Expansion of The Militant and ISR

Now let us turn to the press. First on the ISR. As you can see, the circulation of the new ISR was not maintained at the level of the old YS, but it has been able to keep above that of the old ISR. In recent months, ISR circulation has begun to move forward. The comparative figures on ISR circulation indicate that the ISR has passed the circulation of Political Affairs. We can project working to overtake Monthly Review.

The figures for The Militant's circulation show a substantial increase over last year. The figure of 15,855 for the March 5 issue, does not represent the yearly average. The circulation has a yearly rhythm, reflecting the subscription drives, and that March 5 issue reflects a low point in the yearly rhythm. The yearly average will be higher. However, the figure for February of last year also represented a low point in terms of the yearly circulation, so for comparison purposes, the two figures are useful. Taking into account expiring subs, The Militant has made a net increase of about 5,000 in its domestic circulation in the past year. Most of this was due to increasing the subscription base through the big subscription drives. Concerning the comparative figures, a word should be said about the Daily World. They have certain advantages The Militant doesn't. We know from the experience of CP's all over the world that places like the Soviet Union are important in regard to their circulation figures and you can be sure they pay their bundle bills in full and on time. We would like to know the

breakdown between foreign and domestic circulation for the Daily World, but they didn't publish those figures. In terms of domestic circulation, The Militant either is or soon will surpass the circulation of the Daily World. The Militant is also in close striking distance of the Guardian's circulation, and can soon hope to surpass them and become the largest-circulation socialist paper. This is a realizable goal in the next year.

Circulation Goals

The Militant and everything related to its production and distribution is a central facet of party activity. It is our single most important weapon. It helps educate and organize the SWP and YSA, to recruit, to intervene in the mass movements even in those sectors of the movement we have little forces in or little opportunity at this stage to influence directly.

In the past period there has been an expansion of the editorial staff and size of the paper. There has been a major investment in a press that can handle a larger paper both in terms of size and circulation. The Militant plans to open a Southwest Bureau. These important steps toward transforming The Militant into a mass socialist weekly must be complimented by steps forward in its circulation. In this regard, The Militant has begun to expand its business office, not only to handle the increased volume of physical work, but to project more work on sales and circulation. One of the things the business office would like to accomplish is more communication with the field concerning circulation. This last month the business office was able to put out the first newsletter on circulation. The expansion of the staff and communications of the business office is our number one administrative goal at the center.

There are two areas of sales and circulation. One right now is the subscriptions. As you all know, last fall The Militant successfully carried out its largest subscription campaign since 1945. This winter that effort was added to with another drive. These two drives have helped significantly raise the circulation of the paper, as is indicated in the circulation figures. They have also helped gear up the party and YSA to the importance of the circulation of the press, and put the press into position to launch another major effort next fall.

On bundle sales, they have been extended geographically, especially through the expansion of the YSA. However, as was mentioned already under our discussion of finances, this

is the area we need to make improvements in. The big steps forward made in regard to subscriptions should be matched with big steps forward with regard to bundle sales.

Geographical Expansion

The party is continuing to expand geographically. At the last Plenum we projected the formation of branches in Washington, D.C., and Houston, and the reconstitution of the Denver branch. These objectives were met. However, we haven't been able to reinforce the smaller branches to the extent that is needed. We were not able to reinforce Milwaukee as we had hoped, and this together with other national needs in regard to antiwar work and the Chicano movement have made it necessary to postpone plans for establishing a branch in Milwaukee.

Concerning the question of geographical expansion, there is a fundamental difference between the policies of the YSA and of the SWP. The YSA is a revolutionary youth group associated with the SWP. The political and organizational stability of the SWP, its norms and standards of membership and commitment, provide a solid foundation for the whole Trotskyist movement, which enables the YSA to take in at-largers and constitute new locals and expect a degree of turnover of both. This helps the YSA, and thereby the whole movement, to reach out geographically.

But the ability of the YSA to do this is partly a function of the political and organizational stability and norms of the SWP. The SWP, in contrast to the YSA, must base its expansion on building solid units and meeting membership requirements.

Concerning at-large members of the organization, the SWP has different criteria than the YSA, and cannot merely emulate the YSA practice of taking in at-largers pretty much as they apply.

We have also had some experience in taking in at-large members of the party, in YSA units where we are not yet able to establish party branches. This experience has been negative, for two reasons. First, such comrades are not active in a party branch in the area. Their work is in the YSA. Thus it tends to create a special grouping in the YSA, of those who are at-large members. This has created some problems in terms of the smooth functioning of the YSA. It has also created the situation where as other YSAers develop, they too want to join, and a process is set in motion towards the formation of a branch without a decision to do so by the national

organization taking into account overall national needs.

One other situation has come up, and that is the question of what may be called "at-large" members of branches. That is, people who want to join a branch, but live too far away to be active in the branch other than making meetings. Our criteria for branch membership is that members must be able to play an active role in the life of the branch, and not merely be able to attend branch meetings.

SWP policy in setting up new branches must likewise be different from YSA policy in establishing new locals. The SWP's expansion is based on prior expansion of the YSA. But it is a mistake for the SWP to set up a branch too soon, that is, before the national organization can take the necessary steps to assure its success. Otherwise, too much of a burden can be placed on comrades who are attempting to both build the YSA and an SWP branch, which can result in damaging the development of the YSA.

Personnel -- The Key to Expansion

The key question affecting our ability to carry out further geographical expansion and expansion of the center is the ability of the branches to release qualified people to fill these positions. In working towards this objective, we have run up against some obstacles, in the form of certain objections raised by some comrades.

The first of these is the argument that we should take instead of qualified people, people more easily spared. If we were to follow this rule on one branch, it would apply to all. So this argument boils down to this: that people should be provided for the party center or assignment to new areas or for help to branches who are not playing as useful a role in branch building as others. This is obviously false, as the qualifications needed in people for the national expansion of the party are the same, in general, as for people in branches. Furthermore, branches should not be on the lookout for ways to dump less active or qualified people off somewhere else, but doing what they can to integrate and develop them.

A related argument, concerning national office assignments, is the objection that someone shouldn't be taken out of important branch work or mass work and put into what is disparagingly referred to as a "desk job" in New York. This false sentiment contains the dangerous aspect of denigrating both the comrades who work in the national departments and the impor-

tance -- the key importance to the party -- of their work. All the work at the party center requires dedicated and qualified people. If this argument were carried to its extreme, the center would be just a clearing house for mail, with perhaps one or two people around to give advice.

While the needs of the branches must be taken into consideration in any personnel move, we must firmly reject any parochial tendencies to place the interests of the branches above those of the national organization. Otherwise, we will give up our objective of creating a national, centralized combat party.

The only way for the national organization to expand is for the branches to continually release qualified comrades. There is no other source of Trotskyists. The work we do at the center doesn't lead to direct recruitment to the party -- we have no independent source of cadre other than the branches. This means the branch and national leadership as a whole being conscious of this problem, and to provide conscious leadership in the branches of the process of stepping up the development of new people and the process of their taking on important responsibilities. In doing this, we can't expect to replace people being released with people at their level of development. We have to develop the process of training newer less experienced comrades to take on these responsibilities as people are released.

A very important aspect of this is building on the team concept, not placing total reliance on the organizer, in the sense that no other people are being developed in the executive committee to take his or her place, or on a director of a key area of mass work at the expense of a committee involved in that mass work in which people are being developed to take the place of the current director. This process of developing new people should be a continuous one, not one that is only faced when a gap in the organization suddenly appears.

Administrative Committee

The Administrative Committee, acting as a subordinate body to the Political Committee, has the responsibility to organize the implementation of everything we have been talking about. One of the difficulties the Administrative Committee faces is the personnel question we have been discussing, which includes personnel for all aspects of our national work.

In the past period, the national office has been able to send out more information to the NCers and organizers,

including things like Frank Lovell's letters and other reports on interventions in the various aspects of our mass work, guidance on political questions like the Angela Davis defense, communications on finances. We want to regularize communications on sales and circulation. We want to increase this sort of communication from the center to the branches.

There were two slip-ups recently, which indicate the kind of things we want to avoid. One was sending out the poll on the convention dates without the motivation which most comrades received the next day. More important, was the fact that members of the National Committee did not receive their copy of the memorandum on membership policy until after the YSA convention, where delegates had received it.

One of the things which the Administrative Committee has done is increase the direct contact between party leaders in the center and in the field. In the past year, in addition to the organizational tours taken by Comrades Joel Britton and Elizabeth Stone, there were about thirty trips made to the field by Political Committee members on primarily organizational assignments, and twenty-two such trips by our national antiwar leaders. We want to work to maintain this close direct contact, and increase it to meet our growing needs for such contact.

As the work of the party expands, we expect a greater division of labor at the center in the work under the supervision of the Administrative Committee. We expect adjustments and readjustments in the general division of labor in the Administrative Committee and those people taking special assignments in relation to the work of the Administrative Committee. Should this lead to any confusion on who to write to concerning any particular problem, comrades should keep in mind that they can always write directly to the National Organization Secretary, who has overall responsibility for the Administrative Committee, and he will see to it that the correct person gets the letter.

Concerning the day to day process of communication between the branches and the center, and better answering of letters, the Administrative Committee would appreciate hearing from comrades if they have any suggestions for improvements.

Party Growth

This report has tended to bear down more heavily on areas where we need improvement than on the very real gains and successes we have registered in the past year. Of course, this is to help us make the next steps forward.

But the facts and figures indicate the big steps forward the party is taking.

I want to call your attention to just a few statistics. Although our Third World cadre is still small, it about doubled since 1969. Fifty percent of party members are under 26 years of age. Over 90 percent who have been recruited since the founding of the YSA have come through the YSA. The party nationally has grown by over 30 percent in the past year. We are becoming a younger and younger party as we grow. New comrades are taking on important responsibility more quickly than before, and developing more quickly. Our cadre is gaining valuable experience in the mass movements and in party building. It is becoming an increasingly mobile cadre, able to intervene with greater facility in the mass movements, in the different areas of party work and take assignments to move to new geographical areas.

All the new opportunities present

us with new organizational challenges -- many of which we don't have pat or easy answers for. We have made mistakes, and will make more, but through collective effort we can correct any mistakes.

The calibre of people we are recruiting indicates that they are up to meeting these challenges and forging ahead. The potential we have for expansion places before the party the necessity of making extraordinary efforts. The period ahead is going to be one of continued expansion and growth.

The purpose of this Plenum is to prepare for the national convention. The two concrete goals we should set for ourselves between now and the convention from this report is to make progress on in the two key areas of finances and the weekly sales of our press, in preparation for launching at the party convention an expansion plan, which will be the organizational counterpart to the political resolutions.

THE SUSTAINER SYSTEM AND FINANCES OF BRANCH DEPARTMENTS

The organization report to this Plenum has laid out the broad financial challenges facing the party in the immediate period.

One of the things that report indicated is the intimate connection between the financial responsibilities to national departments of the party and the financial functioning of all departments and aspects of the party branches.

The purpose of this report is to focus in more detail on the progress and problems we've had within the branches.

* * *

Where do we stand in general with branch finances?

On the positive side, we can say that we have made some important gains over the past year.

1. There is a heightened consciousness of financial responsibility throughout the party -- more branches pay more attention to this area of party building, more leading comrades are involved in this work, more regular communication between the branches and the center has taken place on how things are going.

2. Almost all branches are working on a regular budget at this time.

3. All branches have now instituted a per capita pegging system for the national office sustainer pledges, and most branches now figure the pledges of comrades on a weekly basis which has regularized the members' financial commitment to the party.

4. Finally, a couple of new branches have completed the stage of the primitive accumulation of capital needed to set up a headquarters and equip it; they have recruited enough and developed enough of a periphery so that they are now at the stage when they will be able to function financially like the established branches.

* * *

We want to do an evaluation of the progress we've made on the sustainer system. The January 1971 Financial Notes gave an annual report on sustainer pledges to the party. Three main facts stand out from that report.

The most important set of figures on sustainer performance are the figures comparing the total sustainer pledged to the national office and the actual total paid as of different months.

These figures show a growing disparity between what is pledged by

the branches to the national office and what is actually paid.

However, the figures from the most recent period -- from February 1971 -- show a different trend and one that points the direction we want to move in. In February all the branches except two paid at least something on their sustainer pledge! Thirteen paid the total they pledged for February or more representing additional payments on sustainer arrears; three branches made partial payments on their pledge for the month. We want to move forward from what we did in February on sustainer payments. As the organization report stated, our first immediate goal is to pay in full and on time the amount pledged.

The pledge should have the meaning it does to the Boston branch, for example, so that when they figured out recently that they were going to have to mail their sustainer a few days later than usual (they generally mail the check for the total amount the 15th of the month for which it is earmarked), they called the national office to discuss the situation and alert us. They understand the need for a party center and the role of their pledge in maintaining it.

Keeping to a budget is a serious responsibility of leadership. If we don't keep to the budget we projected -- if we don't pay other branch obligations on time, if we don't pay the national office sustainer one month -- we rapidly can face serious problems. Our ability to function, to intervene effectively in the mass movement is undermined.

We have to work on making these budgets more meaningful -- combining monthly projections with longer range projections which can give us a better idea of upcoming expense and income items such as semi-annual banquets, plenum and convention travel needs, regional educational weekends, etc. Budgets can also be made more meaningful when the projections are based more closely on past performance and when the leadership proposes steps to improve financial functioning in the period ahead.

If it happens that the situation in the branch changes, throwing something in the budget out of whack -- and these changes are more the norm than the exception in this period -- it is a leadership responsibility to quickly lay the new situation out to the branch as a whole with concrete proposals for how to deal with it. These proposals can be in the form of a new budget with a different allocation of funds or in the form of pro-

posals to beef up functioning in one area or another to take up the slack.

* * *

With the growth in size of many of the branches we have developed a new problem that needs leadership attention. That is, as the party branch gets bigger, there is a tendency for each individual comrade in the branch to feel that his or her individual financial contribution is less important. "What does my \$10.00 a week mean?"

There are two things that happen as a result of this. It seems less important to a given comrade to pay his or her pledge on time. "Paying my pledge a week or two late so I can buy a new radio won't make or break the branch." And it is easier for any given comrade to feel it's okay to lower a sustainer pledge since it is such a small part of the total pledged.

The leadership has a big role to play here -- in setting the example on pledge level and regularity in payment and in educating on the importance of each comrade making a regular financial commitment to the revolutionary party. This will have to be gone over with each new recruit to the party and periodically reiterated to all comrades in the branch.

* * *

The second set of figures on the year's summary of the sustainer system shows that we have made modest progress on the sustainer per capita pledged to the national office -- but we still have a way to go to establish the average of \$15.00 per member per month as a norm.

Third, we can see that the per capita pledge to the branches has risen steadily since we went on the sustainer system. But the percentage of sustainer which is pledged to the national office has declined from 58.6 percent of the total pledge in 1968 to 47.3 percent in 1969 to 46.3 percent in 1970. The fact that this increase in pledges to the branch has not resulted in a comparable increase in pledges to the national office is an indication of some of the problems in other areas of branch financial functioning that are the main body of this report.

* * *

The financial functioning of the branch departments has a big effect on the sustainer system. In thinking about the importance of their financial functioning, we have to remember that we're in a different stage of party building than we were when we went over to the sustainer system in the fall of 1968. A whole new depth and breadth of demands and opportunities have been

placed on the party as we grow and move into the center of an increasing radicalization in this country. If we just think about the growth in frequency and scope of our election campaigns, our participation in new areas of work -- the women's liberation movement and regional work to name a couple -- the changing character of our bookstores, the increase in circulation of our press, we can get an indication of what has happened and what is to come for our branch departments.

This situation places a premium on good financial organization so the party will be able to get the most mileage out of each dollar that passes through our hands.

The other aspect of tuning up the financial functioning of the branch departments is that the very scope of work we are now carrying out means that we need the active involvement in dealing with party finances of a much wider layer of comrades. The financial director cannot adequately oversee the finances of sales, the bookstore, the election campaign, the regional work, the forum, etc., without the active help of the comrades assigned to these areas of work. In this period, the financial director has to become the financial organizer of the branch. And along with the financial organizer, the executive committee has to pay increased attention to the finances of the branch departments.

We want to share a number of lessons we've learned about the financial functioning of the various branch departments over the past period. It has become clear that this is an area that has been holding back our progress on the sustainer system, and on meeting financial commitments to the national departments.

Sales of The Militant and ISR has been one of the areas that we've had most trouble with financially. There are two types of problems here:

In most branches we have not extended the concept of financial responsibility to the sales director. That means the sales director has not considered part of the assignment to keep accurate financial records on sales. The business office is putting out a monthly financial report form now for all sales directors to fill out to help bring more attention to the finances of sales, but the branch leadership, and especially the financial director, will have to work more closely with the comrades in charge of sales to turn this situation around.

The other problem we've had is that almost every branch has a regular

monthly deficit on sales of the paper and magazine. This indicates a weakness in the organization of sales.

Two courses of action have been followed by different branches to deal with these deficits. The most common course of action has been to accumulate a large debt to the publications.

The other course some branches have taken is to keep current with Militant and ISR bills by taking money out of branch income to make up for the lack of sales income. At least this way the business office gets enough income to keep functioning without crises, but if a branch has to budget \$40.00 or more each month to subsidize bills for the press, it can be seen as an extra \$1.00 per member per month a branch of 40 members or less could be pledging on sustainer. A greater consciousness of the political necessity of sales has along with it the financial side of freeing branch funds for other purposes. This comes down to the question of better organization of sales of the press.

I want to give an example of exactly how this interrelation between sales of the press and the sustainer system works. I visited the Atlanta branch in January at the time they were reviewing their finances and preparing a budget for the early months of 1971. They had been having a problem with sales toward the end of 1970 and were trying to turn it around when I arrived. In the meantime, they had projected a deficit on sales in their budget and no increase in their sustainer pledge to the national office for the period of the projection.

However, by working out concrete plans to tune up the financial functioning of the various branch departments, especially sales, they were able to turn The Militant deficit into a profit within just one month and have raised their sustainer to the national office starting in March.

So it becomes vitally important to the financial health of a branch to take steps to see that sales are getting leadership attention and to see that a comrade on your sales committee, or the sales director, feels financially as well as politically and organizationally responsible for sales.

* * *

There are three lessons we've learned on the forum as a financial asset to the branch.

The most important factor is the regularity of forums. A branch that consistently held weekly forums during 1970 like Twin Cities, for example,

was able to clear a substantial amount each month for the branch from this. Skipping a forum or two in a given month can mean the difference between balancing the monthly budget or not and can be a financial blow to bookstore sales.

The second potential problem with any forum series is the overhead. It is important that the forum director have a clear understanding of the role of the forum in branch finances. A forum director with financial consciousness is in the best position to weigh factors like the proportion of out-of-town speakers with travel expenses, the size of the forum mailing list and costs of postage for it, etc.

* * *

With branch bookstores we've made significant financial progress in the last year. For one thing, the debt of the branches to Pathfinder has declined by 6.3 percent since the end of 1969 even though the purchases by the branches from Pathfinder increased 48.4 percent during the same period.

In addition, a number of bookstores -- most notably Boston, New York and Oakland-Berkeley -- are now in a position to take steps like paying sizable rent to the branch and making other financial contributions or improvements for the branch as a regular thing.

At the time of the last Plenum, the most common situation with branch bookstores was that they were a financial drain on regular branch functioning and on our publishing house. In many cases, the branch was subsidizing this area of work in the form of payment on back debts to Pathfinder and other publishers.

Though some branches still have large debts to Pathfinder, the progress we have made shows the great potential for branch bookstores to become a financial as well as political asset to our work.

Even in one of our new branches, Atlanta, the bookstore has reached the stage where it has a broad enough selection of titles and quantity of each; it has just about finished paying off the back debt that was built up to Pathfinder so that by June 1971 the comrades are projecting that the bookstore will be in a position to begin paying rent to the branch.

There are a series of more concrete lessons we are learning from our experience with branch bookstores that have to be more widely applied so more of our operations will begin to move toward the Boston, Oakland-Berkeley or New York level of functioning.

We've said for a long time that bookstore finances should be kept separate from branch finances. The concept of "separate finances" is an important one to make it possible to watch the progress and problems of a branch bookstore as a discrete department, but "separate" does not mean that the branch leadership no longer has to pay attention to them.

We want to turn around the situation of bookstores that don't have accurate records so it's impossible to tell how they're doing. We want to avoid situations where a large part of bookstore assets are tied up in consignments that were taken out so long ago that it's difficult to settle accounts on them. Without leadership attention these are the kinds of things that can develop.

The other lessons we have learned from bookstore finances are much more tentative but they apply to the situation we are finding ourselves more and more faced with -- the growth of influence of our ideas has meant that there are many new opportunities for our branch bookstores. What we have to do now is get much more scientific in how we approach the bookstores financially, being very aware at each step of our expansion that the bookstore is a branch department and that decisions on how to expand it, when to expand it, how fast to expand it should be viewed in the overall context of our general political and financial priorities.

For example, a number of bookstores are in a position now where they have a volume of sales such that they accumulate a surplus of money each month. Should that money be put into expanding the number of titles the bookstore carries? Should it be put into paying rent to the branch for the space it occupies? Should it be put into financing a comrade to work full time in the bookstore thus making it possible to have the bookstore open longer hours? Should it be put into materials advertising the bookstore, etc.?

These are the types of decisions on priorities that face us in the period ahead.

One thing we can say for sure about such question is that they only become relevant once the bookstore has taken care of its national commitments -- kept current with its Pathfinder bills over a period of time and paid off any back debt to Pathfinder.

Another aspect of getting more scientific about bookstore finances revolves increasingly around some basic rules of thumb on inventory control.

Commercial bookstores go by very definite guidelines on the size of their inventory -- how it relates to time needed to reorder so they don't run out of important items, how it relates to the rate of sales of different items, and how it compares at any one time to the total gross sales of the bookstore over the past period. We are entering a stage in the growth of our bookstores that we want to become professionals on these questions.

It's a responsibility of party leadership to lay out the perspectives for our bookstores in such a way that professionalizing the financial side of their operation becomes a key part of the comrade's assignment.

Branch bookstores are an area where we've made a lot of progress in the past year. If we approach all departments with the same professionalism many branches have applied to bookstores, we will be able to report an important advance on party finances by the time of the party convention in August.

* * *

There are two areas of party building where we can draw some new lessons on finances. They are election campaigns and regional work.

Though we've been running election campaigns for quite a number of years, the scope of our campaigns and the kinds of openings we face for them financially mean we are approaching election campaigns in a different way than we did even four years ago.

In terms of income, there are a number of areas where we have the chance to make some real breakthroughs on improving our financial functioning.

The most important of these is honoraria. The figures on what California, New York and Seattle raised through the election work and the financial results of this year's national party speaking tours make it crystal clear that our speakers can request can obtain sizable honoraria.

All branches of the party should begin to explore more energetically the possibilities along this line that exist for local and national party speakers. Los Angeles is leading the way with their "Activist and Issues Forum" speakers bureau in Southern California.

Another area of campaign income where we had great unevenness during 1970 was donations. What was done in California shows the possibilities of generating additional funds in this area.

In terms of campaign expenses, we have also learned a number of lessons in 1970 that we will want to apply to our 1971, and especially our 1972, election work. One thing that has to be evaluated carefully is the financial side of the materials we use to get out the ideas of the campaign. The Massachusetts campaign, for example, found that they got as many, if not more, responses from their mimeographed position papers as they did from their printed program brochure. All campaign materials should be planned out to maximize the political impact we get in terms of dollars spent -- this goes for stickers, printed leaflets, posters, buttons, etc.

Another problem we faced in 1970 was how to get enough money to launch the election campaigns. Though we have to work toward keeping our election work from disrupting regular branch finances, we face the situation that to launch a campaign, get out the initial materials, etc., the campaign will need seed money. Initial loans or gifts from individuals or from the branch and campaign-launching banquets are the solutions some branches have found to this problem. We should anticipate this financial need well in advance of launching each campaign so that money doesn't become an obstacle to getting the campaign off the ground.

Another more general consideration on campaign finances that we want to work toward is planning out the fund raising and finances so that we have enough money in the bank to be in a position to expand the campaign as opportunities arise. The converse of this situation plagued some of our 1970 campaigns. What happened was that money was spent on the assumption that it would come in, so that some campaign committees were operating with recurrent financial crises to meet the immediate needs and had to pass up openings to move out from time to time. As we know, there's often a gap between pledge and payment or at least in the timing between the two. What we have to work toward here is keeping the activities of the campaign in line with the money readily available; periodically reviewing the campaign budget and adjusting it to correspond with the real income of the campaign.

All of these things point to the need to assign at least one comrade to head up campaign finances and fund raising as their major assignment. This was where we were weakest during the 1970 election campaigns.

Because of that, many campaigns became financial millstones around the neck of the branch. Campaign debts disrupted the branch budget and slowed

down our progress on the sustainer system. In many cases, there were hidden subsidies to the campaigns in the form of free phone service, mimeo supplies, the debts the branch had to assume at the close of the campaign, etc.

As we approach the launching of the 1972 campaigns especially, the branch leadership has to approach campaign finances in a most professional way to avoid a repetition of these problems.

* * *

A number of things that apply to election finances also apply to regional work -- the openings for honoraria and donations are the most striking.

Like election campaigns, we should have a short-term goal of having regional work not be a drain on regular branch finances. The key to achieving this is spreading the consciousness of financial responsibility for this work to all the party branches, YSA locals and at-largers in a given region. The Cleveland branch has gone the farthest in involving all the comrades in their region in taking financial responsibility for the work. The fact that a number of branches are just beginning to systematically organize regional work at this time means we have the opportunity to start it off with the best norms on finances.

Above all, it is the comrades in the small locals and at-large areas away from party branches who will appreciate the work of the regional traveler. We have a leadership responsibility to work with the YSA to make sure this appreciation is translated in part into financial terms. The Cleveland experience where the branch has been doing consistent regional work for a period of time has shown that this is possible.

* * *

We want to say a few things on the role of the party leadership in relation to youth finances. The YSA has made ambitious plans for the coming period which require an increased financial commitment from their membership. It is the party leadership's responsibility to work with the YSA locals on meeting their national commitments to the youth national office, The Militant, etc.

The main thing the party can do is set the best possible example in financial functioning. From the recent YSA national office tour on finances it became obvious that the health of branch finances has a big impact on the finances of the YSA locals nearest

a given branch. If sustainer pledges to the party are high, the youth leadership tends to make better headway on getting good pledges to the YSA. If the party financial director is pessimistic in branch projections, this is often communicated one way or another to the youth in the area.

The second thing to keep in mind here is that we have to avoid smothering YSA development in this area by having the party take financial responsibility for YSA functioning. Aside from the beneficial impact it can have on the branch budget per se if the YSA pays for its own organizer, phone, share of the rent on the headquarters, paper and supplies, etc., it is important for the development of a self-confident, independent youth leadership that we be very conscious about this.

This approach applies also to areas of joint activity we have with the YSA: financial responsibility for the ISR, regional work, election campaigns and so on -- should not be assumed solely by the branch, but should be a joint responsibility of the branch and YSA locals.

Finally, the party leadership has the job of educating on the financial responsibility of dual members of our movement. It is the party that has to explain that a dual member's pledge to the party has to cover a greater number of expenses and that his or her pledge should reflect the higher level of commitment involved in party membership.

* * *

The final area of branch financial functioning we want to review is the work we do on socials and with sympathizers. It is a leadership responsibility to allocate enough forces to work on finances so that this area doesn't get neglected.

A few months ago Detroit began to work systematically at getting regular contributions for the branch from their periphery. Though they tell us there's a lot more money out there they haven't gotten yet, they have been able to bring in extra money since they started and have been able to involve many comrades in doing this work with their contacts.

A well-organized social program in a branch can be important for finances as well as for integrating new members and friends into our work.

In conclusion, the immediate steps we are proposing revolve around the branches meeting their obligations to the party in full and on time: the collection and payment of dues for all party members, the payment to the national office of the sustainer pledged by each branch, the payment of all bills to The Militant, the ISR and Pathfinder.

Tuning up the finances of all aspects of branch activity will make this immediate goal possible and will pave the way for our moving toward the \$15.00 per capita sustainer norm for the party nationally.

If we do these things, we will be significantly strengthening our financial base to meet the expanding financial needs of an expanding party.

BRANCH FUNCTIONING

	Frequency of forums	Is there an anti-war 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?	Militant articles committee?	Militant articles director?	Militant & ISR sales committed?
ATLANTA	week	yes	yes	no	no	no	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
AUSTIN	---	yes	yes	yes	yes	yes	yes	yes	no	no	yes	no	no	no	yes	no
BOSTON	week	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no	yes	yes
CHICAGO	week	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
CLEVELAND	week	yes	yes	no	no	no	yes	no	no	yes	yes	yes	yes	no	no	yes
DENVER	week	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
DETROIT	week	yes	yes	yes	yes	yes	no	no	no	no	yes	yes	yes	no	yes	no
HOUSTON	week	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no	no	yes	yes
LOS ANGELES	week	yes	yes	no	yes	yes	no	no	no	yes	no	yes	no	yes	no	yes
NEW YORK	week	yes	yes	yes	yes	no	yes	no	no	yes	yes	yes	yes	no	no	yes
OAKLAND-BERKELEY	week	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
PHILADELPHIA	week	yes	yes	yes	yes	yes	yes	no	no	no	yes	yes	yes	no	no	yes
PORTLAND	---	yes	yes	no	no	yes	yes	no	no	yes	yes	no	no	no	no	yes
SAN DIEGO	month	yes	yes	no	no	no	no	no	no	yes	yes	yes	yes	no	no	no
SAN FRANCISCO	week	yes	yes	no	no	yes	yes	no	no	yes	yes	yes	yes	no	no	yes
SEATTLE	week	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes	no	no	no
TWIN CITIES	week	yes	no	no	no	yes	no	no	yes	no	yes	yes	no	yes	no	yes
WASHINGTON, D.C.	---	yes	yes	yes	yes	no	yes	no	no	yes	yes	no	no	no	no	yes
TOTAL		18	18	11	11	12	14	6	7	14	16	14	12	6	8	14

BRANCH FUNCTIONING (continued)

ATLANTA	yes	Militant & ISR sales director?	yes	Militant & ISR sub committee?	yes	Militant & ISR sub director?	yes	Regional organizing committee?	yes	Regional organizing director?	no	Regional travel committee?	yes	Regional travel director?	yes	Women's liberation fraction?	yes	Women's liberation director?	yes	Does the branch have a bookstore?	no	Is it a storefront?	50	How many hours per week is it open?	1	How many classes are presently going on?	no	Is there a YSA contact class?	yes	Is there a YSA new members class?
AUSTIN	yes		no		yes		yes		yes		---		---	1					no	yes	no	1	1	1	1	yes	yes	yes		
BOSTON	yes		yes		yes		yes		no	yes	no		yes	yes	yes	yes	yes	yes	yes	yes	no	no	48	10	10	yes	yes	yes		
CHICAGO	yes		yes		yes		yes		no	yes	no		yes	yes	yes	yes	yes	yes	yes	yes	no	no	30	2	2	no	no	yes		
CLEVELAND	yes		no		yes		yes		no	yes	no		no	no	yes	yes	yes	yes	yes	yes	no	no	??	6	6	no	no	no		
DENVER	yes		yes		yes		yes		no	yes	no		no	no	yes	yes	yes	yes	yes	yes	yes	yes	30	1	1	yes	yes	yes		
DETROIT	yes		no		yes		yes		no	yes	no		no	no	yes	yes	yes	yes	yes	yes	no	no	25	2	2	yes	yes	yes		
HOUSTON	yes		no		yes		yes		no	yes	no		yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	43	1	1	yes	yes	yes		
LOS ANGELES	yes		no		yes		no		no	yes	no		no	no	yes	yes	yes	yes	yes	yes	no	no	30	2	2	yes	yes	no		
NEW YORK	yes		yes		yes		no		no	yes	no		yes	yes	yes	yes	yes	yes	yes	yes	no	no	58	4	4	yes	yes	yes		
OAKLAND-BERKELEY	yes		yes		yes		yes		yes	yes	yes		yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	71	4	4	yes	yes	yes		
PHILADELPHIA	yes		yes		yes		no		no	yes	no		no	yes	yes	yes	yes	yes	yes	yes	no	no	30	2	2	yes	yes	yes		
PORTLAND	yes		yes		yes		no		no	no	no		no	no	yes	yes	yes	yes	yes	yes	no	---	---	---	0	0	yes	yes		
SAN DIEGO	yes		no		yes		no		no	no	no		no	no	yes	yes	yes	yes	yes	yes	no	---	---	---	3	3	yes	yes		
SAN FRANCISCO	yes		yes		yes		yes		yes	yes	yes		yes	yes	yes	yes	yes	yes	yes	yes	no	no	48	2	2	yes	yes	yes		
SEATTLE	yes		no		yes		yes		no	yes	no		no	no	yes	yes	yes	yes	yes	yes	yes	yes	50	4	4	no	no	yes		
TWIN CITIES	no		yes		no		no		no	yes	no		no	no	yes	yes	yes	yes	yes	yes	no	no	60	3	3	yes	yes	yes		
WASHINGTON, D.C.	yes		yes		yes		no		no	no	no		no	no	yes	yes	yes	yes	yes	yes	no	no	20	3	3	yes	yes	no		
TOTAL	17		11		17		11		13	5	9		18	17	15	4			51	14	15				51	14	15			

ATLANTA	no	yes	no	yes
AUSTIN	no	no	yes	yes
BOSTON	no	yes	yes	yes
CHICAGO	no	yes	no	yes
CLEVELAND	no	yes	no	yes
DENVER	no	no	no	yes
DETROIT	no	no	yes	yes
HOUSTON	no	no	no	yes
LOS ANGELES	yes	no	no	no
NEW YORK	yes	yes	yes	no
OAKLAND-BERKELEY	no	yes	no	yes
PHILADELPHIA	no	yes	yes	yes
PORTLAND	no	no	no	no
SAN DIEGO	no	yes	no	no
SAN FRANCISCO	no	yes	no	yes
SEATTLE	no	yes	no	yes
TWIN CITIES	no	yes	yes	no
WASHINGTON, D.C.	no	yes	no	no
TOTAL	2	12	6	12

RESULTS OF NATIONAL MEMBERSHIP SURVEY

Figures are based on survey returns from members received by the national office, amounting to 80.1% of the total membership.

Age group	Percent of party	AGE		
		Percent of NC members and alternates	Percent of full-timers	Percent of branch exec. members
under 20	6.7	0.0	2.6	2.0
20-25	39.1	7.4	32.8	39.2
26-30	25.9	19.2	32.8	39.2
31-35	9.1	14.4	15.8	6.1
36-40	3.2	4.9	0.9	2.7
41-45	3.0	12.0	2.6	3.4
46-50	3.7	14.4	2.6	4.0
51-55	2.9	9.6	1.8	2.0
56-60	4.0	7.4	3.6	0.7
over 60	2.4	12.0	4.5	0.7

Average age of party as a whole -- 30.3 years

Median age of party as a whole -- 26 years

DURATION OF MEMBERSHIP

Percent of current members who joined within indicated years.

Years	Percent
1936 or before	4.8
1937-1939	2.1

Years	Percent
1940-1949	5.1
1950-1959	5.0
1960-1964	13.9
1965-1969	37.4
1970	24.8
1971	6.4

Thus, 82.9 percent of current party members joined during or since 1960.

FORMAL EDUCATION

Amount of formal education completed	Percent of party
7th grade or less	0.6
high school or less	16.8
some college but less than four years	40.1
four years college or more	42.5

SEX

	Percent of party	Percent of NC members and alternates	Percent of full-timers	Percent of branch exec. members
Female	37.9	17.1	42.7	41.0
Male	62.1	82.9	57.3	59.0

PARTY-YSA INFORMATION

Of members currently in the party:

48.1 percent are in the YSA

30.6 percent are graduates from the YSA

Of members who joined during or since 1960:

91.9 percent came through the YSA

NUMBER OF CITIES

Number of cities of residence since joining Trotskyist movement	Percent of party
1	37.1
2	32.7
3	16.4
4	7.9
5 or more	5.9

(Thus 62.9% of the party members have been in 2 or more cities since joining the movement.)

PREVIOUS POLITICAL AFFILIATION

SDS -- 62	SNCC -- 4	Spartacist
CP -- 29	PLP -- 3	League -- 2
SP -- 25	YD's -- 3	LNS -- 2
FFP -- 9	Workers	IS -- 1
CORE -- 9	League -- 2	OAAU -- 1
BSUs -- 8	BPP -- 2	MPI -- 1

MILITANT CIRCULATION

	<u>March 5, 1971</u>	<u>Feb. 1970</u>	<u>Feb. 1969</u>
Domestic Subs	7000	3880	2972
Expiring Subs	852	1220	2000
Foreign Subs	461	550	517
Domestic Bundles	7185	5460	3453
Foreign Bundles	<u>357</u>	<u>442</u>	<u>430</u>
	15,855	11,552	9,372

The total circulation of the Militant has increased by 37% since February, 1970. The most outstanding increase is 47% in the subscription base. Bundles to YSA locals and at-largers have increased by 27%, while branch bundles have increased 25% in the last year.

The renewal rate has remained about the same as last year-- 30% renewal for long-term subs and 10% for introductory subs.

<u>BRANCHES</u>	<u>BUNDLE CIRCULATION</u>		<u>MILITANT</u>	
	<u>ISR</u>	<u>COMPARATIVE BUNDLE SIZES</u>		
	<u>BUNDLE SIZE</u> <u>Feb. 71</u>	<u>Mar. 71</u>	<u>Feb. 70</u>	<u>Feb. 69</u>
New York	700	725	500	325
Boston	175	650	350	150
Chicago	150	250	300	300
Detroit	150	300	200	100
Cleveland	150	200	200	100
Los Angeles	125	200	200	175
Oakland-Berkeley	125	200	200	250
Philadelphia	100	200	200	300
San Francisco	75	200	200	200
Twin Cities	75	150	150	150
Austin	65	150	125	20*
Seattle	60	150	125	100
Houston	60	150	50*	5*
San Diego	50	145	235	25
Atlanta	50	100	200	60*
Denver	50	100	0*	0*
Portland	40	75	20	20
Washington D.C.	15	<u>75</u>	<u>65*</u>	<u>10*</u>
		4020	3205	2290

*No SWP branch at that time.

MILITANT FINANCES (as of March 6, 1971)

DEBTS TO MILITANT:

SWP Branches	7201.95
YSA Locals	3002.41
YSA At-largers	<u>683.89</u>
	\$10,888.89

ISR CIRCULATION AND FINANCES

<u>CIRCULATION:</u>	<u>ISR Feb.71</u>	<u>ISR Feb.70</u>	<u>YS Feb.70</u>
Domestic Subs	1727	911	2730
Expiring Subs	12	---	2077
Foreign Subs	455	287	214
Domestic Bundles	3512	1325	6700
Foreign Bundles	<u>1280</u>	<u>753</u>	<u>233</u>
	6,986	3,276	11,954

COMPARISON OF AVERAGE MONTHLY CIRCULATION FIGURES

--These figures are based on published monthly averages from October to September of each year.

<u>YEAR</u>	<u>MILITANT</u>	<u>DAILY WORLD</u>	<u>GUARDIAN</u>
Oct.67- Sept.68			
BUNDLE *	4704	4094	3542
SUBS *	<u>3456</u>	<u>6610</u>	<u>22462</u>
	8,160	10,704	26,004
Oct.68- Sept.69			
BUNDLE	4455	7764	5712
SUBS	<u>5675</u>	<u>6486</u>	<u>21106</u>
	10,130	14,250	26,818
Oct.69- Sept.70			
BUNDLE	9143	12175	4852
SUBS	<u>8214</u>	<u>8292</u>	<u>20010</u>
	17,357	20,467	24,862
Peak Fall Sub Drive Dec.70			
BUNDLE	7350		
SUBS	<u>19500</u>		
	26,850		
Current Mar.71			
BUNDLE	7542		
SUBS	<u>8313</u>		
	15,855		

FIGURES ON MONTHLY PERIODICALS:

	<u>ISR</u>	<u>POLITICAL AFFAIRS</u>	<u>MONTHLY REVIEW</u>
Oct.69- Sept.70			
BUNDLE	3692	3005	3348
SUBS	<u>2294</u>	<u>1495</u>	<u>5724</u>
	5,986	4,500	9,072
Current Feb.71			
BUNDLE	4792		
SUBS	<u>2194</u>		
	6,986		

*These figures include both domestic and foreign subs and bundles.

FINANCIAL FUNCTIONING OF BRANCH DEPARTMENTS - 1970

(all figures are monthly average for 1970)

Branch	MILITANT SALES			ISR SALES			CURRENT RENT		
	Income	Bill	Loss	Income	Bill	Loss	SWP	YSA	EKSTR.
Atlanta	85	90	5	8	27	19	100	50	
Austin	57	75	18	10	21	11	100		
Boston	120	150	30	22	26	4	115	50	100
Chicago	158	224	66	21	133	112	175	50	
Cleveland	75	90	15	11	35	24	165	60	
Denver	75	75	--	unk	11	unk	70	45	
Detroit	175	253	78	28	52	24	110	40	
Houston	19	23	4	5	9	4	115	25	10
Los Angeles	134	175	41	unk	76	unk	85	20	20
New York	246	300	54	120	240	120	407	100	200
Oakland-Berkeley	85	100	15	73	80	8	187	63	
Philadelphia	117	129	12	29	45	16	50	25	25
Portland	22	26	4	nr	4	nr			
San Diego	unk	unk	unk	unk	9	unk			
San Francisco	86	145	59	22	50	28	175	25	50
Seattle	unk	100	unk	unk	44	unk	35	30	10
Twin Cities	58	82	24	12	27	15	175		25
Wash., D. C.	54	90	36	15	35	20	168	100	

	BRANCH DEBT TO N.O. - 3/26/71	BRANCH DEBT TO MILITANT	BRANCH DEBT TO ISR	BRANCH DEBT TO PATHFINDER	BRANCH TOTAL DEBTS
Atlanta	109	105	42	374	630
Austin	97	257	62	463	879
Boston	9	116	105	995	1225
Chicago	3455	2563	278	644	6940
Cleveland	728	359	102	361	1550
Denver	370	135	22	629	1156
Detroit	404	190	158	1068	1820
Houston	220	189	53	893	1355
Los Angeles	1818	132	477	1542	3969
New York	1832	1507	822	65	4226
Oakland-Berkeley	1835	200	234	875	3144
Philadelphia	151	0	0	1498	1649
Portland	17	0	69 cr.	407	355
San Diego	3	36	5	119	163
San Francisco	2733	519	140	290	3682
Seattle	358	497	175	7	1037
Twin Cities	1424	0	21	1018	2463
Wash., D. C.	315	398	35	350	1098

FINANCIAL FUNCTIONING OF BRANCH DEPARTMENTS - 1970
(all figures are monthly average for 1970)

	<u>BOOKSTORE</u>		<u>REGIONAL EXPENSES</u>				<u>FORUMS</u>	
	<u>Sales</u>	<u>Inven.*</u>	<u>SWP</u> 1970	<u>YSA</u>	<u>SWP</u> Proj.	<u>YSA</u> 1971	<u>Exp.</u>	<u>Inc.</u>
Atlanta	266	1200	150	0	125	1/p.c.	30	66
Austin	103	610	20	0	112	112	---	---
Boston	637	nr	280	---	150	130	100	140
Chicago	597**	1500	50	20	50	35	90	153
Cleveland	unk	2500	55	50	150	50	65	67
Denver***	unk	600	10-20	---	10-20	---	---	---
Detroit	292	2500	195	4	200	75	57	112
Houston	117//	1300	15	8	2 p.c.	2 p.c.	8	15
Los Angeles	350	2900	28	unk	---	unk	31	78
New York	2139	7000	---	230/	---	unk	120	300
Oakland- Berkeley	4214	13078	22	35	43	43	2	29
Philadelphia	226	1587	133	---	91	40	32	96
Portland	27	unk	nr	nr	nr	nr	---	---
San Diego	unk	unk	---	20	---	20	18	11
San Francisco	381	1073	35	35	60	40	21	54
Seattle	283	1060	---	---	100	unk	29	62
Twin Cities	333	4519	34	7	unk	125	84	135
Wash., D. C.	unk	1000	---	5	20	20	---	---

* total retail value as of 3/1/71

** October - December

*** May - December

/ July - December

// October - December

PROGRESS REPORT ON SUSTAINER SYSTEM SINCE JANUARY 1970

Branch	Per capita pledge to branch		Per capita pledge to national office		% total sustainer pledged to N.O.	
	1/70	12/70	1/70	1/71	1/70	12/70
Boston	18.95	26.20	8.33	14.00	44%	53%
Chicago	30.00	31.53	15.00	10.00	50%	32%
Cleveland	16.67+	*	8.33	8.00	-50%	*
Detroit	22.18	26.70	8.54	12.00	38%	45%
Los Angeles	21.37	22.00	15.00	16.00	69%	73%
New York	23.59	21.93	13.21	14.00	56%	64%
Oakland-Berkeley	30.29	26.47	7.45	10.00	25%	38%
Philadelphia	27.28	23.00	10.87	10.00	40%	43%
San Francisco	30.83	23.22	13.00	10.00	62%	43%
Seattle	18.89	21.29	10.00	10.00	50%	47%
Twin Cities	22.19	22.45	11.22	10.25	51%	46%
Atlanta	28.25	32.42	7.50	7.50	27%	23%
Austin	10.44	21.17	15.00	5.00	100+%	24%
D.C., Washington	---	37.28	---	7.50	---	20%
Denver	---	21.07	---	5.00	---	24%
Houston	---	27.69	---	10.00	---	36%
Portland	14.14	18.62	6.86	6.00	49%	32%
San Diego	unk	*	4.20	3.33	unk	*

Averages	22.82	23.96	10.80	11.11		

* no recent figures available

Total Monthly Pledge to National Office		Six Month Average Actual Monthly Payments through:	
1/70	\$6,415	12/69	\$5,958
1/71	\$8,245	12/70	\$6,456

CONVENTION CALL TO SWP NATIONAL COMMITTEE PLENUM

March 16, 1971

by Farrell Dobbs

Since I'm the only member of the Administrative Committee who hasn't done any work here at this plenum, the comrades thought I ought to do a little something to earn my keep, and they assigned me to make the motion on the issuing of the convention call. I'd like to make just a few prefatory remarks; I hope you'll indulge me if I appear to wander just a little off the subject.

In terms of rejuvenated revolutionary spirit, I feel that I'm in my first month at the party center. However, there's a rather inexorable instrument known as a calendar that reminds me that the reality is that I'm in the first month of my 32nd year in the party center. And I'd just like to call to the comrades' attention a few thoughts that have occurred to me as I have watched the proceedings here.

I, too, came into the movement in a period of radicalization -- in the thirties -- and I came into the national apparatus of the party and to the center in a relatively short period of time. I joined the party in March 1934 and came to the center full-time in February of 1940. Those were stimulating times, such as those that you are experiencing today.

We had a sag during the war -- got a chance to go to college for a few months up in Sandstone, Minnesota. Then we had the labor upsurge across the '44-'46 period, and then came the cold war and the witchhunt, and a long, long drought. You'll recall that Comrade Cannon wrote in The History of American Trotskyism about the dog days in the early period of the formation of the Communist League (of America -- CIA). Not in terms of the intensity of the problems and the experiences, but here again in calendar terms, the dog days of the thirties were more a long weekend in contrast to the long isolation that came with the cold war and witch-hunt, which had its beginnings really in 1947, and hit us directly in 1948. We were put on the subversive list. Comrade Kutcher was fired from his job. Paraphrasing what Tom Leonard so well said here about how you meet these ultraright assaults, when the government attacked us we howled like they were cutting our throat, and it took us, oh, I guess five or six years, but we finally made them put Jimmy back. We never did lay down in the whole period. But it was a long drought.

The turn didn't really come in a significant sense until we entered the decade of the sixties. I would say, by and large, in my recollection, that the 1960 presidential campaign was the point of change with respect to our capacity to begin to draw young people into the party at an accelerating rate and from more extensive sources than had been the experience before. I will illustrate it by a little story from the period of the Bloomington case, back in the early sixties. One of the defendants in the Bloomington case was speaking at Columbia University here in New York. Some right winger tried to heckle him from the point of view he was trying to impose a foreign philosophy on people. And he replied, "I'll have you know, sir, that I am a corn-fed communist from Indiana." That's kind of symbolic of the change that was taking place.

There was a modest acceleration of the youth recruitment in the first part of the sixties. But we had another problem that required solution before we could really take advantage of the changed opportunities that were before us.

During the long drought three basic things happened that had to be straightened out before we could take advantage of the changing objective situation. (1) As will always happen in such circumstances -- when things were rough, and then they got rougher, and when you thought they were about as rough as they could get, then they got rougher still -- a few people began to examine their navel and they found that it's not a perfect formation. (laughter) It then occurred to them that maybe the party's navel wasn't all that perfect, and they began to look at the party's navel -- soul searching for the party on a volunteer basis (laughter): "What is it that the party is not doing that it should be doing that is putting us in this situation?" And they came up with some of the damndest varieties of political nostrums as to how to get out of this. In one instance they'd form a little clique or cult, in another a little faction and start a big fight, a crusade to save the party. Why we had more Billy Grahams in this party for a while than the Christ killers have ever had to heckle at a religious revival.

And the thrust of the thing was to try to derail the party from its basic program. That was problem number

one.

Problem number two was that, as a corollary of the political development, this factionalism more and more took on the characteristics of a compulsive urge to fight their way out of the party. An effort was made to transform our party from its character as a Leninist combat party into a federation of factions, of people of diverse opinions, that would have degenerated into a combination talk-shop and factional jungle that could never have done a thing. That was problem number two.

Problem number three had to do with the youth. These same factional tendencies, these same political quacks, hit upon the bright idea the minute we began to get some prospect of winning youth to the party, that the thing to do is -- if you can't get a majority inside the party -- get into the youth and use the youth as a club to beat the party over the head. The result was a circumstance in which -- you know, I've always had a warm feeling in my heart for Sid Brown. He's not with us any more, but even if people change, you remember the good days, always. There were long, endless meetings in the youth NEC. Two factions were in there -- and were also busy in the party -- fighting one another in the youth for control over the youth, and having endless meetings, getting out voluminous minutes of every meeting, imagining that all the youth around the country were just waiting with baited breath for the next edition of the news of their stupid arguments. They were having an NEC discussion! (laughter) Finally, Sid Brown sent in a complaint, and his protest was against inflicting these sixteen pound envelopes of minutes from the NEC onto the comrades in the youth. We had to deal with that situation.

This overall situation came to a head in the period immediately preceding and at the 1963 party convention. The 1963 convention was in my judgment the point of qualitative change in the party cleaning its house of the deterioration in political and organizational forms that had occurred across the long period of the drought, and getting ourselves set to take full advantage of the upsurge of youth coming toward the revolutionary movement and get the show on the road. The political problem was to all practical intents and purposes definitively resolved by the resolutions adopted at the 1963 convention. These rejected, point by point, facet by facet, all the quack political remedies that had been argued, some of them for more years than I care to remember,

inside the party, before we had enough forces to really bring this to a head. That marked the reaffirmation of our basic program and the process of turning around and beginning a new stage of collective thought in the party. We began to apply our energies and our capacities as an organized force to thinking out what is happening in the world that is new, and how we can relate to it to advance the revolutionary party.

Second, we settled the organizational disputes over what kind of a party are we going to have. We settled it in terms -- not yet of documentation -- but in terms of the decisions about the immediate organizational questions confronting us. You'll recall that things led within a short time to the suspension of the Robertsonite faction because of their disloyalty and indiscipline. After that we brought that whole thing to a head rather quickly, wound up with a recodification of the party's fundamental organizational principles at the 1965 convention, and we got that question straightened out.

Meantime, we had straightened out the youth situation, beginning at an even earlier stage. If memory serves me right, it would have been about '61 -- I could be off a year or so -- when we first introduced the age criteria. There was nothing abstract about it at all. We had a very good basic motivation. We were after a pair of factional hooligans who had grown old before they reached a stage of maturity on the calendar, and were committing mayhem among the youth, and had to be stopped. We very carefully first found out how old they were, then we set the age. (laughter) We carried this through to the point that, as a process, across the period in the mid-sixties, we fully restored and clarified the fundamental Leninist concept of the relations between the party and the youth. The youth are organizationally independent. But a Trotskyist youth movement is based on acceptance of the fundamentals of Trotskyism, and there has to be a basic political homogeneity between the party and the youth. Otherwise, it cannot be a youth movement that is an auxiliary of the party; it would become some kind of a centrist formation and the party would have to act on that basis. We clarified that, and made crystal clear that no member of the Socialist Workers Party was ever going to use the youth to beat the party over the head with, as these factional jokers were trying to do.

Now these three basic things -- the political line, the character of the party, and the relationship between

the party and the youth -- were definitively straightened out in that period of the mid-sixties along the lines I described.

Meantime we had to grapple with the problem of the transitions in leadership, that arose in peculiar forms, out of our peculiar circumstances. I don't know if it's occurred to you, but in thinking about the presidential ticket and the age question in the Administrative Committee, it suddenly hit us -- I think Joel was the first one to mention it -- that the ones we were looking for and couldn't find were a lost generation of youth that we couldn't make contact with during the period of the long drought the party experienced. So we were confronted with a situation in which the first -- it's been a double-header transition -- the first transition was from the generation of the founding leaders of the party -- comrades like Jim Cannon, Ray Dunne and so on -- to others of us, like Joe Hansen, George Novack, Tom Kerry, George Breitman, myself and others in that category, who had been youth of the thirties. During the fifties, those of us in the latter category had to step in and take more of a central leadership responsibility as the comrades of the older generation withdrew. But meantime the calendar had worked on us to the point where we didn't have all that much time left ourselves, and we had to preoccupy ourselves immediately with the question of the transition toward yet a younger category of leaders. We stayed right

We stayed right on top of the thing, striving first for a definitive settlement of the three questions I mentioned -- the political question, the nature of the party, and the relations of the party and the youth -- before we really got our teeth into the question of the further leadership transition, because we felt that was our duty. Representing our particular generation within the party from the point of view of the role of the leadership, we felt it was our duty to really have the house cleaned and -- in line with the very well chosen remarks that Betsey made in reaction to another subject -- have the kind of a headquarters we could be proud to bring the young people into. That was our job, you see. It was something more than taking politically right that we had to do. And we have worked consistently at it since then.

Now, I don't want to describe what's happened, you all know it as well as I do. But just let me call your attention to one single thing. Note the reporters to this plenum. You've had there a very palpable demonstration of the progress that we're

making in transitions in leadership, and we're working as a team. There's no young Turks' revolt, there's no antagonism between the older and the younger members of the party leadership that would hurt the party in any way at all. We're working as a team, with mutual respect and confidence in one another, and all are motivated by one single, fundamental thing that has to be basic to the attitude of every revolutionist. None in the leadership ever look upon the party in relation to themselves and their own personal ambitions and aspirations; they look always at themselves in relation to the party. What's best for the party is paramount and the personal, the individual is always subordinated to that. It's in that fundamental sense that the team pattern is developing.

The result is that, unlike our opponents, and most notably of all the CP, we are achieving a genuine leadership transition. I've watched this rather closely, with respect to the CP. I may be wrong but it is my surface impression that -- as compared to the processes of transition of leadership in respect to the Socialist Workers Party -- the youth brought into the Stalinist movement are well-meaning youngsters who are being used as stooges by the older Stalinist sons of bitches who, in turn, are the slaves of that gang of bureaucrats in Moscow. In that sense, we have a tremendous advantage.

We've not only got the correct political line. We've got a circumstance in which the young who are radicalizing are able to come into a movement that has a program with the objective potential to fulfill their aims, their aspirations, and the party says: "Welcome! All you need is some basic training, some education, and you can take command. All power to you and we'll help you in any way we can." That's what's happening fundamentally in our party.

In that sense we have an edge over our opponents. However, the fight for radical hegemony won't be resolved short of the revolution because -- as has been pointed out by more than one comrade, particularly under the discussion on the political report -- we won't have definitively bested our opponents until we've got the power. At each stage, there will be problems with opponents. As a matter of fact, as the mass radicalization broadens, there will be more and more opportunities for our opponents to peddle quack political remedies that can disorient and misguide people for a period. The problem won't be quickly resolved.

But already we're beginning to get a perceptible edge in that most decisive of all fights -- given the existence of a firm revolutionary party -- the fight for hegemony in the leadership of the mass movement. We're getting an edge on that.

I think the political resolution that has been adopted at this plenum is strikingly in tune with objective reality and the patterns of changing objective reality. That is due in no small part to the fact that this gathering reflects another quality that is very important to our party. How do you get to be a leader in this party? You get to be a leader in this party only when you earn it in the ranks. Historically it has been the pattern in our party that the poorest way in the world to try and get onto the National Committee is to try to suck up to one of the central leaders. You won't get to first base. Nobody gets on the National Committee of this party unless she or he has earned recognition as a leader in the ranks of the party. That pays tremendous dividends from the point of view of building a movement, because out of that process you have a circumstance in which the leadership is genuinely representative -- and attuned to -- the ranks. There's an affinity, and not an antagonism, between the leadership and the ranks. It follows that when the plenum of the National Committee gathers we're testing our thinking at the party center with the thinking of the party more or less generally, as reflected in the National Committee as a whole. More precisely, as a collective national leadership, we are simultaneously verifying our appraisal of objective facts and bringing our collective consciousness more closely abreast of the changing reality. Don't forget that fundamental postulate of the Marxist theory of cognition: that being determines consciousness, but that consciousness tends to lag behind changing reality. Now, collectively, here at this plenum we have brought consciousness a little further ahead at the national leadership level.

In that connection there's a very important thing to remember about gatherings such as this. You see, leaders can make basic mistakes with regard to gatherings of this kind. One is to act impatiently, presenting the organization with a new idea and thinking that just by presenting it and arguing vehemently for it at the gathering that you can change party consciousness in one fell swoop. A gathering such as this plenum, does not automatically change everybody's consciousness at a single stroke. Such gatherings merely record our developing conscious-

ness as a party of the changing reality around us. If you fall into the error, as leaders, of becoming impatient with the ranks in letting their consciousness catch up with changing reality, the result will be that the ranks will balk on you. They'll be like that mule down in Arkansas. The only way you could get him to pull the wagon was to first hit him between the eyes with a 2-by-4 to get his attention. The ranks will just sit down on you, if you try to push them into something on the basis that you've thought it out, you know this is right and, therefore, it's got to be done.

It's in that sense that I come finally to a very brief preface to the motion. (laughter) At this plenum we have brought leadership consciousness to a new level. When I say "we," I don't mean the central leaders have brought you to a higher consciousness. I mean by our collective discussion, the interchange of thought, this reciprocal relationship between the comrades who are undertaking to carry out their party duties at the center and the comrades who are leading throughout the party elsewhere in the country -- by our interchange of views and the checking of our ideas with the realities of our experiences -- we have collectively brought consciousness in the party to a new stage here today, with respect to the changing objective patterns in this country. Now it is the duty of the Political Committee, as a subordinate body of the National Committee, to proceed between now and the convention to carry, on behalf of the National Committee as a whole, the responsibility of preparing the way so that when the party gathers as an entity, at its national convention, the consciousness of the entire party will be raised to the level that has been attained at this plenum. In fact it should go somewhat beyond that. Just as there's been a reciprocal relationship between the comrades in the center and the comrades in the field here at this plenum in developing keener awareness of objective change, there will be a corresponding reciprocal relation between the National Committee and the rank and file of the party in terms of the delegates who come to the convention. It's our responsibility here at the center to prepare the way for that and so the motion I'm going to read is not just a simple little mundane thing. I just thought I'd say that much about what is basically involved in the contents of the recommendation to the plenum.

I'll wind up by simply reading the motion: "To schedule a national party convention for the five day

period of Sunday, Monday, Tuesday, Wednesday and Thursday, August 8, 9, 10, 11 and 12, 1971; to hold the convention in Ohio; to provide a three month pre-convention discussion period

beginning May 1; to refer to the Political Committee the issuance of the convention call and the setting of the convention agenda to be incorporated in the convention call.