

14 Charles Lane
New York, NY 10014

May 15, 1978

TO ORGANIZERS AND NATIONAL COMMITTEE MEMBERS

Dear Comrades,

The attached communication should be brought to the attention of all members as soon as possible. Please read it or summarize its contents at the next branch meeting.

Comradely,

Mary-Alice Waters
Mary-Alice Waters
National Office

14 Charles Lane
New York, NY 10014

May 15, 1978

TO ALL COMRADES

Dear Comrades,

The purpose of this letter is to ask comrades who are in a position to do so to help the party meet a temporary, but serious financial problem.

A year and a half ago, when we made projections for our 1977-1978 overall budget, we decided to raise about \$50,000 by borrowing against the buildings that house our national departments. This is normal business practice, and makes good sense for us at this time because it maximizes the use of our assets.

We hoped to be able to find a group of comrades or friends of the party who could put up this money. If we weren't able to do that, we anticipated no difficulty in securing a bank mortgage.

However, our attempts so far to raise this loan from members and supporters of the party have been unsuccessful. Moreover, we have been unable to get a bank mortgage because of circumstances totally unrelated to our operations. The controversial Westway super-highway project, now in the final stages of planning, will pass close to our buildings. This giant boondoggle will have a big impact on real estate values and land usage. While property values will undoubtedly go up if the project goes through, New York banks in the meantime are reluctant to approve mortgages for commercial buildings in the area where we are located.

To help avoid any temporary cutbacks because of this situation, we are now making a general appeal to all members and sympathizers. We would like to cover the \$50,000 with a combination of long-term loans for 3-5 years, or longer if possible. The terms of the loan -- payback schedule, types of security for the loan, and interest rates if necessary -- can be discussed according to the circumstances and the amount toward the \$50,000 that can be put forward. The terms can be of a nature acceptable for any commercial business agreement.

Secondly, we would like any comrades or friends in a position to do so to make a six-month or one year loan of \$1,000 or more.

This appeal fits within the framework of the general financial situation presented at the last convention and at the recent plenum. In a nutshell, while our income continues to grow it has not kept pace with capitalism's inflation and with the increased costs of organizing our politically and geographically expanding party. Inflation and the costs of expansion left a sizeable gap in our budget, which was reported at the last convention. To eliminate this deficit we have taken steps both to increase income and cut expenses.

To cut expenses the national full-time staff has been reduced by about 20% since last summer without qualitatively cutting back on the scope of our work.

To increase income we set ourselves important local and national goals which we are in the midst of carrying out, as well as carefully reviewing all our sources of income.

The progress we are making in our financial campaigns, including the sustainer campaign and the drive to reduce back debts to national departments, is confirmation that we are on the road to solving the financial problems we have focused our energies on.

The problem we face is that the impact of these steps will only be fully felt over a fairly long period, and the \$50,000 in the budget affects us in the short term. That is why we believe it is prudent for us to borrow, in essence, against our future financial growth, and avoid further sharp cutbacks which, though they might be temporary, would disrupt the continuity of our work.

Anyone who can make a loan, or has further questions, should contact the national office, or your national field organizer.

Comradely,
Mary-Alice Waters
Mary-Alice Waters
National Office
Dave Prince
Dave Prince
Financial Office