

MYSTERIES MARK WORKER FINANCES

Paper Says Yearly That It
Will Have Deficit, but Omits
Data on Its Operations

The finances of The Daily Worker, the Communist newspaper in trouble with the tax authorities, are as mysterious as those of some of the multimillionaires it baits.

Annually, according to its own accounts, it estimates income and expenses for the year. These figures, and the items that go into them never are published. The gap between the two, usually around \$200,000, is proclaimed as the indicated deficit.

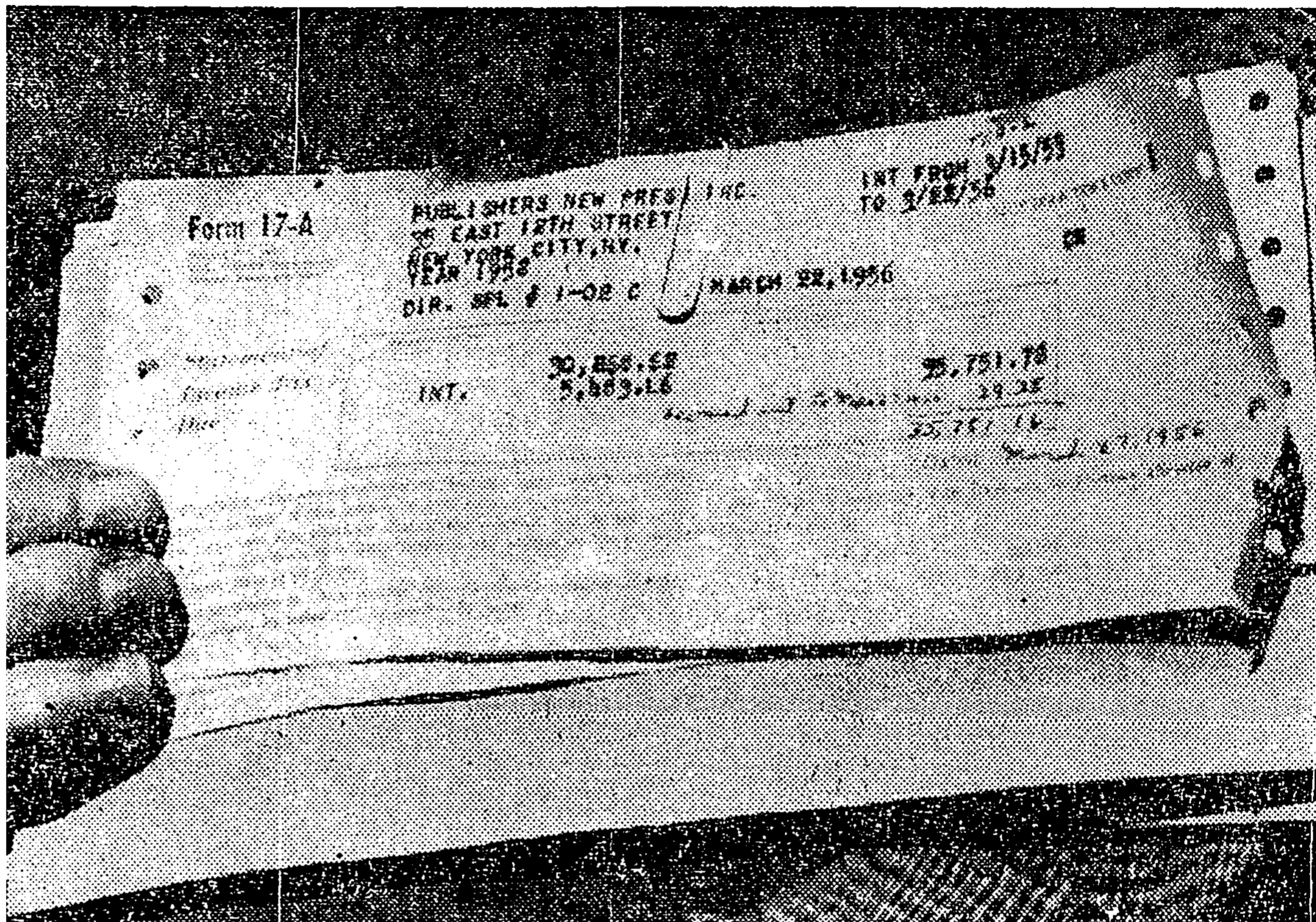
The whole total, or half of it, becomes the goal of a fund drive waged annually or semi-annually. Different sections of the Communist party are assigned quotas, which they pledge to fulfill or overfill.

The drive always follows a familiar pattern. It lags, producing crisis after crisis, although one or another section meets half or all its goal. At the end, the goal always is nearly reached. How is never disclosed.

In addition, benefit after benefit is staged by party branches, clubs and cultural groups throughout the year. When it was discovered that an admission charge of \$1 might be subject to the city sales tax or the Federal amusement tax, the charge was changed to a "minimum offering" or a "loan."

Rarely are the financial results of a benefit or collection mentioned in the paper. Presumably they figure in the income estimate, along with funds earned from subscriptions, sales of the paper and advertising.

As a privately held corporation, the current owner of record of The Daily Worker, Publishers



The New York Times

TAX CLAIM received by The Daily Worker, Communist newspaper, after the Internal Revenue Service seized its property. Interest due is at upper right-hand corner, augmented by hand-written note of \$29.35. Claim had been updated from March 22 to March 27.

New Press, Inc., is under no obligation to make a public report to stockholders. In the labor movement, however, it is a traditional practice of agencies that depend on public solicitation to account for every penny received and spent. This tradition the paper has never honored.

The Communist organ was founded in 1924 at the direction of Gregory Zinoviev, then head of the Communist International. It was established on capital of \$35,000 provided by Moscow, according to Benjamin Gitlow, then a top leader.

Over the years Communist party members and sympathizers and workers are estimated to have poured \$5,000,000 into the paper. Ex-Communists say the workers providing it with funds are Russians, paying it in taxes.

The New York Times

Published: March 29, 1956

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