Financial.

Itemized Cash Statement Jan. 1 to June 30 is submitted herewith; also statement of assets and liabilities of June 30, 1920. The statements up to Jan. 1 [1920] have already been audited and published. The latter have been audited and found correct by an Auditing Committee elected by the CEC. For the period from Jan. 1 to June 30 it is suggested that the convention should elect an Auditing Committee to go over the books and vouchers and to report of their findings to the new CEC.

To combine the condensed statement for the last six months with the statement up to Jan. 1 is possible only approximately, since the latter was a statement of income and expense not only in cash, but including also accounts receivable and payable. The statement for the whole period based upon estimations on the main items of dues and literature and supplies (on which the accounts receivable were accrued) would show the following figures:

<table>
<thead>
<tr>
<th></th>
<th>1919 Sept.-Dec.</th>
<th>1920 Jan.-June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues</td>
<td>$13,988.68</td>
<td>$8,463.31</td>
<td>$22,451.99</td>
</tr>
<tr>
<td>Special Stamps &amp; Assessments</td>
<td>1,682.77</td>
<td>1,647.25</td>
<td>3,330.02</td>
</tr>
<tr>
<td>Contributions</td>
<td>7,253.60</td>
<td>14,929.61</td>
<td>22,183.21</td>
</tr>
<tr>
<td>Loans</td>
<td>3,000.00</td>
<td>3,812.63</td>
<td>6,812.63</td>
</tr>
<tr>
<td>Papers, Literature, &amp; Supplies</td>
<td>5,428.31</td>
<td>1,556.13</td>
<td>6,984.44</td>
</tr>
<tr>
<td>From C.E.R. Trust Fund ‡</td>
<td>659.63</td>
<td>659.63</td>
<td>659.63</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>64.58</td>
<td>64.58</td>
<td>64.58</td>
</tr>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>$31,353.36</td>
<td>$31,133.14</td>
<td>$62,486.50</td>
</tr>
</tbody>
</table>

†- Charles Dirba took over as “Acting Secretary” of the Communist Party of America on April 15, 1920, when Executive Secretary C.E. Ruthenberg left the party along with I.E. Ferguson and a group of their supporters to pursue unification with the Communist Labor Party. Dirba was a member of the Lithuanian Federation from Minnesota, a founding member of the CPA.

‡- “C.E.R.” is a reference to C.E. Ruthenberg. In the “Expenditures” section below, an $8500 “expense” to this same “C.E.R. Trust Fund” is mentioned. In the report to the 3rd Convention of the old CPA, it was claimed that Ruthenberg “took away about $7,000 of our funds” at the time he departed the party in April 1920. [See Report to the Third Convention of The Communist Party of America, (Corvallis, OR: 1000 Flowers, 2004), pg. 2]. Although the arithmetic does not quite work out “about $7,000” (actually closer to $8,000!) there seems certainly to have been a connection between this “C.E.R. Trust Fund” and the missing funds.
Disbursements:

<table>
<thead>
<tr>
<th></th>
<th>1919 Sept.-Dec.</th>
<th>1920 Jan.-June</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Expenses</td>
<td>4,118.70</td>
<td>3,009.18</td>
<td>7,127.88</td>
</tr>
<tr>
<td>Translator-Sec./Int. Sec. Salaries</td>
<td>5,322.50</td>
<td>2,022.95</td>
<td>7,405.45</td>
</tr>
<tr>
<td>Organization Expense</td>
<td>3,023.39</td>
<td>1,583.00</td>
<td>4,606.39</td>
</tr>
<tr>
<td>Defense Expense</td>
<td>1,297.39</td>
<td>7,861.81</td>
<td>9,159.20</td>
</tr>
<tr>
<td>District Expense &amp; Advances</td>
<td>78.84</td>
<td>6,883.55</td>
<td>6,962.39</td>
</tr>
<tr>
<td>Papers, Literature, &amp; Supplies</td>
<td>10,936.51</td>
<td>5,290.66</td>
<td>16,227.17</td>
</tr>
<tr>
<td>Office Machinery, F&amp;F</td>
<td>638.26</td>
<td>130.50</td>
<td>768.76</td>
</tr>
<tr>
<td>Chicago Defense Com. &amp; Misc.</td>
<td>793.30</td>
<td></td>
<td>793.30</td>
</tr>
<tr>
<td>To C.E.R. Trust Fund &amp; D. Damon</td>
<td>3,000.00</td>
<td>5,504.79</td>
<td>8,504.79</td>
</tr>
</tbody>
</table>

*** TOTAL PAID ***

$28,475.59  $33,079.74  $61,555.33

Balance to Jan. 1 and July 1

$ 2,877.77  $ 931.17

$ 31,353.36  $62,486.50

Membership.

Number of members for which dues were paid during and for each month since the First Convention of the Party was as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1919</td>
<td>27,341</td>
</tr>
<tr>
<td>November 1919</td>
<td>20,261</td>
</tr>
<tr>
<td>December 1919</td>
<td>23,624</td>
</tr>
<tr>
<td>Average for 3 months</td>
<td>23,744</td>
</tr>
<tr>
<td>January 1920</td>
<td>1,714</td>
</tr>
<tr>
<td>February 1920</td>
<td>2,296</td>
</tr>
<tr>
<td>March 1920</td>
<td>4,517</td>
</tr>
<tr>
<td>April 1920</td>
<td>8,223</td>
</tr>
<tr>
<td>Average for 4 months</td>
<td>5,584</td>
</tr>
<tr>
<td>May 1920</td>
<td>6,749</td>
</tr>
</tbody>
</table>

Taking the highest number of dues paid since the January raids, the Party has lost through them and through the subsequent reorganization on underground basis about 15,000 members, or 65% of the initial membership. Hungarian Federation and the state of Michigan (1000 and 3000) dropped out of the Party altogether; Russian Federation lost 4000 out of their 7000 members; South Slavic and Polish Federations ceased to pay dues after February.

If the split in our ranks had not been brewing ever since the raids, and if it had not come about before the convention, the recovery might have come up to 50% of the Oct.-Nov.-Dec. figures, but certainly not higher.

Let us see now what was the number of members that left the party in the split.

Taking first the number of dues paid, we find that the highest month before the split was April with 8223 dues; the first month after the split May ended up with 6749; according to this we lost in the split only 1474 members, or 18% of the total membership before it.

Taking figures estimated by Federations and Districts, and verified by reports from these subdivisions and by the number of members represented in our Convention, we arrive at the following figures:
According to this we lost about 4400, or a little over 1/3 of our membership, but of this the minority carried with it into the UCP by no means over 3500, or positively not over 28%.

These are fair and unbiased figures, and they prove beyond a doubt the falsity of the claim of Damon [Ruthenberg] & Co. that they split away with a majority of the CP membership and were justified on that account in taking the funds and records of the Party with them.

In all their statements they find it absolutely necessary to repeat this lie in order to justify their position and to maintain their standing with the former CLP elements.

We should expose this fraud fully to all parties concerned, and we should demand, on the strength of these figures, officially from the UCP, that they return to us all our funds and records. If they should refuse our just claims, we ought to present the case to the Third International or take determined steps to serve drastic punishment upon those guilty of the flagrant breach of the discipline and trust of our Party.

**General.**

In general the Acting Secretary is not in position to give detailed and definite report, for the reason that the greater part of the time since the First Convention of the Party he was connected with the National Office only in a secondary capacity — because the records of the Party from which the information could be extracted are unavailable.

Taking only the most important phases of our Party's activities it should be recorded that for general propaganda during the first three or four months about five or six leaflets were issued in quantities ranging from 300,000 to 800,000.

Pamphlet #1, containing our Platform, Program, and Constitution, was printed and distributed in about 25,000 copies; #2 — Radek's [The Development of Socialism] From Science to Action — about 10,000.

The Communist was published weekly — and distributed in about 15,000 copies.

The monthly magazine *The International* was about to be sent out, when the raids occurred and the first number was confiscated in the printing shop.

After the raids all the energies of the Party were turned to reestablishing connections and reorganizing our ranks on a new basis.

The first number of *The Communist* after the raids was published around Feb. 15, and it was distributed in about 7,000 copies. Three issues were published before the split. Two or three leaflets were distributed before the split, in about 350,000 copies each.
Since the split we have issued four numbers of *The Communist*, in 5,000 copies each, and distributed three leaflets, 50,000 to 135,000 copies each.

The year has been one of organization, reorganization, and realignment of the communist elements, and the process is still going on.

Under the circumstances, our activities in getting in contact with the masses of workers and reaching them with our agitation and propaganda have been rather inadequate. We must keep in mind all the time that these activities are the essential ones for our Party, and that all possible efforts must be directed toward them at all times.

As everywhere else in natural development, it seems that in the development and birth of the Communist Party of America we had to go through a certain period of disintegration. The old elements had to become separated and partly destroyed before a new growth, a new development on a new basis could properly set in.

In this period, during which our principles had to crystallize to become a secure basis for our future development and growth, everything had to be sacrificed and subjected to the purity and clearness of our ideas, our principles and tactics.

The circumstances seem to indicate that this process is about to be completed, and that after this we shall be able to devote all our energies to the upbuilding and developing of our organization, to the holding together and strengthening of our ranks, developing their activities and activeness, their own clarity of understanding, discipline, morale, initiative, and cooperation; and through this to gain new members [and] new forces into our ranks — to make our Party properly what it should be at this time — active carrier of Communist ideas and plan of action to the working masses.

Fraternally submitted,

D. Bunte [Charles Dirba],
Acting Secretary.
CP of A.

July 13, 1920.