

U.S. SEIZES OFFICES OF DAILY WORKER, COMMUNIST PARTY

Raids in Cities From Here to
Coast Based on Income
Tax Liens of \$435,314

PAPER IS PRINTED LATER

Moves to Makeshift Quarters
—Civil Liberties Union
Scores 'Harassment'

By HARRISON E. SALISBURY

Internal Revenue agents seized the premises of the Communist party and The Daily Worker here and elsewhere in the country yesterday because of nonpayment of income taxes.

Raids on Communist party offices were carried out simultaneously at 1 P. M. Eastern Standard Time in New York, Philadelphia, Chicago, San Francisco and several other points.

At the same time Treasury agents entered the editorial and business offices of The Daily Worker, the official Communist party newspaper, in this city. Branch offices of the newspaper in Detroit and Chicago also were seized.

The Communist party and Daily Worker premises were padlocked and warning notices were posted against tampering with or removing property.

The tax liens charged that The Daily Worker owed \$46,049 in back income taxes and penalties for 1951, 1952 and 1953. The Communist party was said to owe \$389,265 for 1951.

Alan Max, managing editor of The Daily Worker, charged that the Treasury action constituted "an outrageous attack on the freedom of the press." Eugene Dennis, general secretary of the Communist party, called the action a "lawless attempt to muzzle political opponents by police force."

Morning Edition Issued

Despite the seizure of its premises on the eighth floor of a nine-story loft building at 35 East Twelfth Street, The Daily Worker managed to put out its edition for this morning. The Worker's editorial staff moved down to the seventh floor of the building, which is occupied by a job printing concern, the F and D Publishing Co., Inc., that prints The Worker.

From makeshift editorial offices hastily set up adjacent to the composing room, the edition was produced. Later a temporary arrangement was made to share space in the quarters of The Morning Freiheit, a Yiddish language Communist newspaper, also with offices at 35 East Twelfth Street.

Harry Sacher, attorney of The Worker, said he had been assured by Donald R. Moysey, district director of Internal Revenue, and Henry C. Clark, general counsel for the Internal

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The New York Times

RED NEWSPAPER SEIZED: Scene as Internal Revenue agents closed The Daily Worker offices for nonpayment of taxes. From left: Max Gordon, city editor; Salvatore Razza, gesturing, a Federal collection officer; John Gates, back to camera, editor in chief.

U.S. SEIZES OFFICES OF DAILY WORKER

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Revenue Bureau's lower Manhattan district, that no effort would be made to interfere with the actual publication of the newspaper.

The Federal action is directed against two entities—the Communist party itself and the Publishers New Press, Inc., which is the publisher of The Daily Worker.

Four Internal Revenue agents, headed by Salvatore Razza, a district collection officer, appeared at the offices of the Worker at 1 P. M.

At the same moment six more agents arrived at 575 Seventh Avenue, where the national and state headquarters of the Communist party are located. Three agents went to the seventh floor national party offices and three to the sixth floor state party offices.

Notices Put on Doors

At both The Daily Worker and party offices notices were affixed to doors and windows saying:

WARNING

UNITED STATES GOVERNMENT SEIZURE

THIS PROPERTY SEIZED FOR NON-PAYMENT OF INTERNAL REVENUE TAXES, BY VIRTUE OF LEVY ISSUED BY THE DISTRICT DIRECTOR OF INTERNAL REVENUE.

ALL PERSONS ARE WARNED NOT TO REMOVE OR TAMPER WITH IN ANY MANNER UNDER SEVERE PENALTY OF THE LAW.

It was the lunch hour and only eight employees of The Daily Workers were in its offices when the agents appeared. When the employees refused to obey a summons to leave two city policemen were summoned by telephone.

The agents initially forbade other Worker employees from entering the offices.

Joseph Clark, foreign editor of The Worker, protested at being barred when he returned from lunch. He said he worked there.

"You mean you used to work here," an agent said. "This is one story which you won't be able to put out."

Another agent told Mr. Max that "now, I suppose, you will start quoting Thomas Jefferson."

The editor obliged by promptly digging out an appropriate Jeffersonian quote which declared:

"The opinions of men are not the object of civil government nor under its jurisdiction . . . press."

To suffer the civil magistrates to intrude their power into the field and to restrain the profession or propagation of principles on the supposition of their ill tendency is a dangerous fallacy."

It was nearly five hours after the Internal Revenue agents arrived at The Daily Worker's cluttered loft offices before the staff, by this time augmented by arrivals to about thirty, finally departed.

Legal Argument Develops

The delay occurred while Mr. Sacher conferred with Henry C. Clark in an effort to obtain permission to continue to use the editorial offices or at least part of the quarters.

While the legal argument went on battalions of reporters, camera men, newsreel personnel and television crews arrived on the scene. They set up their lights and equipment and recorded the views of the principal Communist editors and officials.

Ironically, yesterday's Daily Worker, appearing a few hours before the raid, had carried a front-page box headlined: "Making Hay in the Sun" and declaring:

"We've been getting a lot of unexpected publicity these days and can use it to good advantage."

The reference was to the many references to The Daily Worker in the general press in connection with the shift of the Communist party line in connection with the desanctification of Stalin.

The Communist party and The Daily Worker promptly proceeded to capitalize on the Treasury action. The Worker's daily press run, now averaging only 8,000 to 9,000, was increased by 1,000 copies. This morning's paper bore the headline: "Our Offices Seized—Here We Are."

The Communist party issued denunciations of the Treasury

actions, calling them "Gestapo-like" and asserting that the raids carried out "under the shabby pretext of tax claims is nothing but transparent McCarthy-like political harassment."

The American Civil Liberties Union, in a statement issued by its executive director, Patrick Murphy Malin, asserted that "both the timing and method used in the Government's seizure lead to grave doubts that the precipitate action was taken for any reason but for the harassment of the Communist party."

Mr. Malin called the action against The Daily Worker "an infringement on freedom of the press."

Russell C. Harrington, Internal Revenue Collector in Washington, declined to discuss the case. It was suggested that the action had originated with Mr. Moysey. He, in turn, was reluctant to explain how the action had been brought.

Treasury Department officials refused to explain the legal basis for the action. It was explained, however, that the New York director, who is completely autonomous, had gone to the attorneys for the Communist party and The Worker and asked to see the books. Mr. Moysey knew there was an in-and-out flow of money and wanted to check. He was told, "we have no books" and "we are tax exempt." Counsel for the Communists admitted there had been no Internal Revenue ruling on tax exemption and that the party never had applied for a tax status.

Following the usual procedure in such cases, an arbitrary assessment was arrived at and liens were secured to force disclosure of figures for determining what, if any, taxes actually were owed. The seizure followed. The next step is to file a case before the United States Court of Appeals for adjudication. This could show that neither the party nor the paper owed anything. Seizure could not have been taken, it was said, had the Communist party and The Worker applied for a tax status or produced their books when requested. The Treasury holds that some of the paper's income is taxable.

Washington insisted that Mr. Moysey had acted on his own responsibility in having the tax liens served in other jurisdictions. It is common practice for directors in other districts to honor "courtesy liens" against assets outside the jurisdiction of the director bringing an action. Max Gordon, city editor of The Worker, said that Internal

Revenue agents had gone over the newspaper's books about six months ago and asked many questions as to the identity of contributors and of persons from whom The Worker had borrowed money. He said action was threatened against the paper unless it identified sources of the contributions, but so far as it was possible to ascertain no legal case had been filed against either the paper or the party as a result of the inquiries.

John Gates, editor in chief of The Daily Worker and one of the Communist party leaders who served a five-year prison term for conspiracy, said the Government's case was completely without foundation.

"The Worker was founded in 1924," Gates said. "We have had a deficit every year since then. We have never been out of the red. The paper lost about \$200,000 last year. How can we be accused of failure to pay income taxes when we never have had any income?"

The editor said the deficit on the paper's operations was made up by contributions and by loans.

"We haven't any assets," he asserted, "only liabilities."

The Worker's circulation has steadily dropped in recent years. It was down to 14,000 daily and 50,000 on week-ends by 1951. It is now running under 9,000 daily and about 25,000 week-ends.

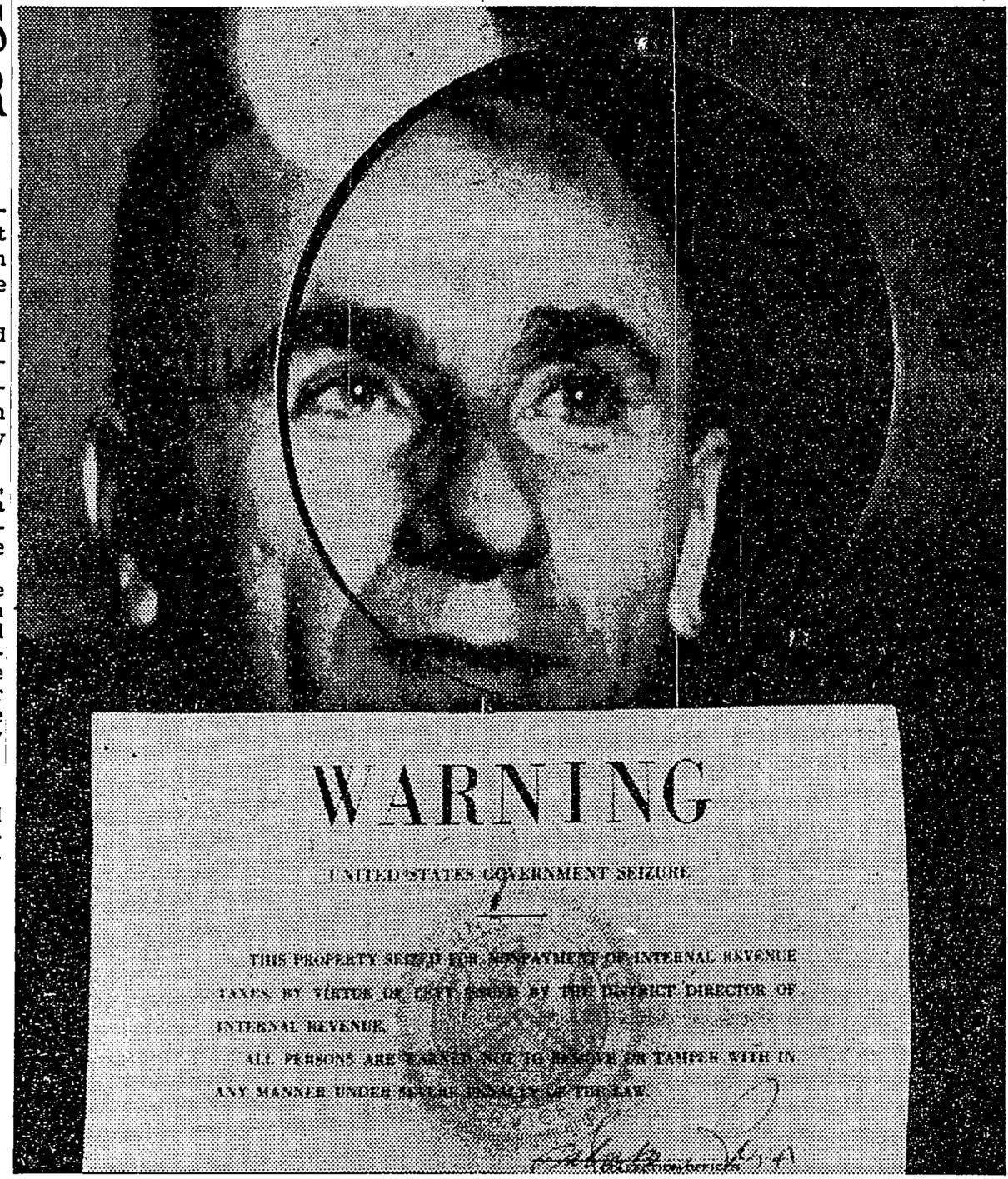
Worker employees said most of their circulation was by mail subscription—a fact which will almost immediately cause major difficulty in continuing the paper's publication.

The addressing machine with all the subscribers names is among The Worker's impounded possessions.

The last person out of The Worker office before a padlock was affixed just before 5 P. M. was a woman employe who was copying names of subscribers from the addressing machine.

Daily Worker branch offices in Detroit and Chicago were padlocked as well as the New York quarters. However, the Washington bureau of The Worker was not interfered with, apparently on the ground that there was little of property value in that office.

Most of the excitement surrounding the action centered on The Daily Worker. The moves against the national and state party headquarters were carried out with a minimum of stir. Communist officials at the headquarters at first declined to leave their offices, but after conferring with their attorney, John



THE DOOR IS CLOSED: John Gates, editor in chief of the Daily Worker, ponders the Internal Revenue Service's seizure of the newspaper for alleged nonpayment of taxes. The reflection above Mr. Gates' head was created by the photographer's flash bulb.

The New York Times