

S.B. No. 1 (Plain)

METROPOLITAN POLICE

SPECIAL BRANCH

Special Report

24th day of September 1981

SUBJECT

1. The following information has been received from a reliable source:-

Reference to Papers

2. The Socialist Workers Party during the past two or three months has been undergoing a serious financial crisis, despite the fact that their average monthly income from subscriptions paid by bankers orders is £7,708.74p. It would appear from highly confidential discussions which have taken place between the National Secretary Pete CLARK and Privacy that the situation has arisen from the following set of circumstances:-

Socialist Workers Party (SWP)

400/81/116

BOX 500

a) Approximately four years ago during 1977, when Privacy the party headquarters was situated at Privacy London, E2, a cheque to the value of approximately £4,500 was received, made out to "International Socialists" (the name of the party before it became the Socialist Workers Party in mid 1977). In actual fact this cheque had not been intended for the 'International Socialists' at all, but was a result of a mistake by the issuing Spanish bank in London. The cheque in question was the total annual subscription of the national Spanish section of the Socialist International, the headquarters of which is in London, and it would appear that the money was sent to a Spanish bank in London for onward transmission to that organisation. However, in translating "Socialist International" from Spanish into English the name on the cheque became transposed and the bank in question sent the cheque to the 'International Socialists' Privacy by mistake. On receipt of the cheque Privacy immediately paid it into the Party bank account knowing full well that it was not really intended for Privacy organisations funds. Shortly after this the organisation changed its name to the Socialist Workers Party and by coincidence also moved from Privacy to its present headquarters at Reading Lane, E8. The fact that the cheque had been embezzled by Privacy Privacy did not actually come to light until earlier this year when the Treasurer of the "Socialist International" in London found in his records that the Spanish section had failed to pay their national subscription for 1977 and sent a suitable demand to their National Secretary. This demand, not unreasonably, was received with dismay in Spain and they immediately asked the Spanish bank in London to ascertain what had happened to their money. In short, as a result of enquiries by the bank manager the cheque was traced to

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the account of the International Socialists (now the Socialist Workers Party) and the bank has demanded full compensation with a threat of criminal proceedings if the amount is not paid in full. Accordingly [redacted] the SWP [redacted] Privacy [redacted] has had to promise to pay back the amount in question at the rate of £750 a month.

b) In addition to this problem the Socialist Workers Party lent the sum of approximately £3,000 to the Leeds District to assist in mounting the Anti-Nazi League carnival which took place there earlier this year. Due to mis-management on the part of the organisers of the carnival, the money has not been recovered and there seems little likelihood of the party recouping the sum in question.

c) Finally, Paped Limited (shortly to become Highcleeve Limited), the front company for the SWP headquarters at Reading Lane, received a final rate demand for £2,498 some four months ago and in view of the financial crisis within the Party the National Treasurer was only able to raise approximately £1,500 which he paid to the council official at court when the Party was summoned for the rate arrears. There is still some £900 owing for rent and in addition to this there is an outstanding telephone bill for approximately £2,000."

3. References:-

Peter CLARK

RF 402 [redacted] Privacy [redacted]

[redacted] Privacy [redacted]

[redacted] Privacy [redacted]

Anti Nazi League

400/81/54

Socialist International

400/52/228

Paped Limited

mentions

Highcleeve Limited

No trace

[redacted] (1) [redacted]

HN68 [redacted]

CHIEF SUPERINTENDENT [redacted]