

and Alexandroff and Mrs. Moltchanova (Russian) and Miss Küssner (Latvian) and Mr. George Chudinov (Finnish).

Our instructions were to endeavour to elucidate certain transactions in the course of which £1 Treasury notes, known to have been received by the Bank, had been traced to various Communist organisations in this country.

Our investigations have extended over nearly four weeks, and in addition to examining the books of the Bank and numerous members of its staff we have found it necessary to make enquiries at the Bank of England and, with the consent of the Moscow Narodny Bank, at certain other English Banks with whom they have had dealings.

As a result we have to report on a long and somewhat complicated series of transactions, and we have therefore thought it convenient to set out first—as Part III of our Report—a summary of the facts, so as to enable the detailed statement contained in Part IV the more readily to be followed. In Part V we discuss the question of responsibility for these transactions.

PART III.

SUMMARY OF THE RESULTS OF OUR INVESTIGATIONS INTO THE TRANSACTIONS OF THE MOSCOW NARODNY BANK, LTD.

Sources of the Bank's Supplies of Treasury Notes.

The object of our enquiry being to ascertain the channel through which certain Treasury notes known to have passed through the Bank had reached various Communist organisations, we began by asking from what sources the Bank obtained its supplies of Treasury notes. We were at first assured that all supplies of £1 Treasury notes required by the Bank were obtained against cheques drawn on the Bank's account with Lloyds Bank, High Holborn.

Our enquiries have established, however, that, in addition to the Treasury notes obtained as above, large quantities of Treasury notes, amounting in all to over £17,000, had been obtained by Messengers of the Bank against exchanges of Bank of England notes at the Bank of England, Lloyds Bank, High Holborn, and the Midland Bank (Overseas Branch). We found that since the 4th March, 1927, no record of the numbers of Bank of England notes had been kept by the Cashier, with the exception of new notes obtained from Lloyds Bank. These transactions, therefore, did not appear fully, as they should have done, in the records of the Bank, and it was only as a result of the series of investigations set out more fully in our detailed report, and after repeated assurances that no supplies of Treasury notes had been drawn from any other source than Lloyds Bank or the Bank of England, that we were able to obtain this information.

Payments to Communist Organisations.

At the outset the information given to us by the Bank officials was that they were quite unable to connect any transactions of the