

and Duke on the 10th; £14 7s. 0d. the proceeds of a sale to the Moscow Narodny Bank on the 16th; and £6 13s. 3d. the result of a sale to Platonoff on the 17th.

There follow in rapid succession a number of sales of dollars in different quarters by Duncan. These were at first pure cash transactions—sales of dollars for Bank notes and Treasury notes and the eventual exchange of the Bank notes for Treasury notes, by various means.

For some reason, possibly emboldened by success, possibly because he found the arrangement of the necessary exchanges becoming increasingly difficult, Duncan opened an account of his own with the Moscow Narodny Bank on the 15th February, 1928. Thereafter the proceeds of practically all his sales of dollars were paid into this account, and he drew his supplies of Treasury notes from the Moscow Narodny Bank against cheques on this account. This procedure continued until as a result of the publicity given to Major Kindersley's Question the Bank caused the enquiry to be made which led to Duncan's dismissal.

The total sum handled by Duncan from his first transaction on the 27th October, 1927, to the 20th April, 1928, was, at least, £14,202.

Thus during the whole period under review there passed through the channels we have described a total sum of not less than £27,998. The circumstances surrounding these transactions and the fact that in many cases, of which we have given instances, particular Treasury notes have been traced through these channels to Communist organisations leave little doubt that the whole of this money found its way into the hands of Communist organisations in this country.

PART V.

MOSCOW NARODNY BANK, LTD.

Responsibility of the Bank and its Officers.

As regards the first series of transactions, the exchanges by Quelch and Priestley, we were assured that neither the Manager nor the Directors of the Bank had any knowledge of these transactions, and that, in fact, after a certain date, they had been conducted by the Cashier contrary to an express direction which had been given to the effect that notes were not to be changed for private persons. This direction was, we understand, verbal, but it was admitted both by the Cashier and by Mr. Garnett, the Head of the Foreign Exchange Department.

As regards Duncan's sales of dollars, again we were assured by the Bank that they had no knowledge of these sales either to Flindt, Figgess and Duke, A. H. Leigh or C. Platonoff. The transactions were cash transactions, and did not pass through the books of the Bank, and these three firms receiving the instructions on printed slips of the Bank, initialled by Duncan and stamped with the House Stamp of the Bank, were under the impression that they were transacting business with the Bank. They would know Duncan as an employee of the Foreign Exchange Department, and