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DIRECTOR

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Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 24, 1945

~~TOP SECRET~~

Mr. Matthew J. Connelly
Secretary to the President
The White House
Washington, D. C.

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Authority NLT-79-5

Dear Mr. Connelly:

D: DEB NLT Date 10-1-85
(FBI memo 9-21-85)

You will recall that on September 12 and September 18, 1945, the Federal Bureau of Investigation furnished the President and you with information regarding Soviet espionage activities, particularly with regard to the atomic bomb. This Bureau has now been informed that all intelligence activity outside the Soviet Union is coordinated by G. M. Malenkov, a member of the Political Bureau of the All Union Communist Party of Bolsheviks and the man who is mentioned by many Soviet officials as Stalin's successor. Malenkov is reported to be actually the head of all intelligence activity, and Soviet Military Intelligence, Naval Intelligence, the NKVD and the political apparatus are all ultimately responsible to him.

Malenkov is reported to be the actual head of the political apparatus in foreign countries.

The political apparatus in countries outside the Soviet Union has taken the place of the former apparatus of the Comintern. In each Soviet Embassy there is reportedly a secretary whose duty is to pass on to the officials of the Communist Party of that country instructions from Malenkov in Moscow, who has apparently assumed the responsibilities formerly assigned to the Comintern. According to information now received by this Bureau, this direct channel of contact through the Embassies is much more effective than the cumbersome Comintern organization for mobilizing the efforts of the Communist Party in any country into line with the existing foreign policy of the Soviet Union.

It is further reported that the Political Secretary in a Soviet Embassy does not make reports to the Peoples Commissariat of Foreign Affairs in Moscow, but makes such reports directly to Malenkov.

It has also been learned that the Soviets are intending to

plant a large number of Soviet espionage agents in the diplomatic establishments already in the United States from Eastern, Central and Balkan European countries, as well as in those diplomatic establishments which are yet to be set up in the United States. It has been ascertained that these Soviet espionage agents would number between 50% and 100% of the diplomatic staffs below the rank of Ambassador. These employees would have been trained in Moscow and would actually be Soviet Military Intelligence, NKVD or political operatives.

This Bureau has also received information that the Soviet Union's budget for war, which would include intelligence activities, appropriations for the Red Army and Red Navy and for war production, will be greater during the coming year, which is ostensibly a year of peace, than it was in the past year during a year of actual warfare for the Soviet Union.

Information has further been received that the Soviet Union does not contemplate converting its factories to consumer goods production, such as the United States has announced it was doing, but, on the other hand, is actually increasing its war potential by setting up additional plants devoted solely to war production in Siberia. We have been advised that the Soviets will continue to increase their industrial production for war, but will obtain consumer goods from factories in the satellite states of Eastern Europe and through purchases in the Western Hemisphere.

According to reported "loose talk" in the Soviet Embassy in Ottawa, Canada, the Soviet Government felt confident prior to the use of the atomic bomb that within ten years their military potential would enable them to conquer the world. Since the atomic bomb has been used by the United States, according to information we have received, they have set their calendar in this respect ahead. You will recall that we have previously advised you that the Soviets' No. 1 project at the present time is the obtaining of complete construction plans of the atomic bomb itself by the end of this year.

This entire situation is being followed closely and any additional information will be brought immediately to the attention of the President and you.

With assurances of my highest regards,

Sincerely yours,

J. Edgar Hoover