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(4)

The Director

August 27, 1945

D. C. Stone

Termination of the Office of Strategic Services and the Transfer of its Activities to the State and War Departments.

This memorandum is for your use in discussing with Judge Rosenman and Mr. Snyder the question of the disposition of OSS and its activities.

The Problem

OSS was established by Military Order of June 13, 1942 and was placed under the "jurisdiction" of the Joint Chiefs of Staff. Under the terms of this Order, OSS was directed to:

- a. Collect and analyze such strategic information as may be required by the United States Joint Chiefs of Staff.
- b. Plan and operate such special services as may be directed by the United States Joint Chiefs of Staff.

With the close of the war, the question arises as to the disposition of OSS as an agency and the continuation or termination of its activities.

Discussion

During the war OSS has engaged in two broad kinds of activities: (1) the production of intelligence, represented chiefly by the Research and Analysis Branch; and (2) activities of an operational nature known within OSS as Strategic Service Operation.

If our previous recommendation to the State Department for the establishment of an Office of Research and Intelligence is accepted, that Department will require a considerable group of trained analysts in the field of economic, political, and geographic intelligence. By general agreement, the Research and Analysis Branch of OSS has performed very creditably in these intelligence fields during the war and its personnel is available for transfer to the State Department. There is the advantage also of obtaining for State a going concern which can continue its work with a minimum of interruption and confusion. In fact, R&A has done a considerable amount of work for State during the war and many informal relationships now exist.

It is generally admitted that State lacks proper presentation facilities. This condition will be further aggravated if R&A should be transferred to State to become a part of its Office of Research and Intelligence. It seems to us that Presentation should also be transferred to State.

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The remaining activities are not easily described but with a few exceptions are of a nature that will not be needed in peacetime. The main problems are the presentation of the records and experience gained, the completion of some of the OSS assignments overseas, and the orderly liquidation of its overseas activities. Problems also will arise with respect to the return and reassignment or separation of the civilian and military personnel involved. The War Department seems the proper agency to take care of this job. *(This does not resolve the recent intelligence problem which requires further review.)*

Action Recommended

1. That you present a proposal to the Committee to transfer the Research and Analysis and Presentation Branches to the State Department and the remaining OSS activities to the War Department for salvage and liquidation. A tentative draft order for this purpose is attached. This order is not in final form and should be used for discussion purposes only.

2. If the decision of the Committee is favorable, clearances should be made with Acheson in State and McCloy in War as the receivers of the transferred activities. We are prepared to submit to State the necessary documents in the form of a draft departmental order and directives which will facilitate the reception of the transferred activities.

3. Prior to the issuance of the Order, clearances should be made with the Joint Chiefs of Staff and the Navy as interested parties.

D. C. S.

Attachment

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Draft — For Discussion Purposes Only
August 27, 1945

EXECUTIVE ORDER

TERMINATION OF THE OFFICE OF STRATEGIC SERVICES AND
DISPOSITION OF ITS AFFAIRS.

By virtue of the authority vested in me by the Constitution and the Statutes, including Title I of the First War Powers Act, 1941, and as President of the United States and Commander in Chief of the Army and Navy, it is hereby ordered as follows:

1. The Office of Strategic Services and the office of Director of Strategic Services established by the Military Order of June 13, 1942 are hereby terminated.

2. The Research and Analysis Branch and the Presentation Branch of the Office of Strategic Services, together with their functions, duties, powers, personnel, property, and records and so much of the other functions, duties, powers, personnel, property, records, and of the funds of the Office of Strategic Services as the Director of the Bureau of the Budget shall determine to relate primarily to the activities transferred by this paragraph, are transferred to and consolidated in the Department of State. Military personnel now on duty in connection with the said activities may, to the extent mutually agreeable to the Secretary of State and the Secretary of War or the Secretary of the Navy, as the case may be, continue on such duty in the Department of State.

3. All other functions, duties, and powers of the Office of Strategic Services and the Director thereof and all of the personnel, records, property, and funds of this Office not transferred by paragraph 2 of this order are transferred to and consolidated in the Department of War. The Secretary of War shall, at such times as he shall deem appropriate, discontinue any of the activities transferred by this paragraph and wind up the affairs relating thereto.

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