

WAR DEPARTMENT

OFFICE OF THE ASSISTANT SECRETARY OF WAR

STRATEGIC SERVICES UNIT

25th & E STREETS, N.W.
WASHINGTON 25, D.C.

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page*

26 October 1945

MEMORANDUM FOR THE HONORABLE ROBERT A. LOVETT,
ASSISTANT SECRETARY OF WAR FOR AIR

Subject: Report on Intelligence Matters

There is submitted herewith in
eight copies report requested in your mem-
orandum of 23 October 1945, above subject.
The report is divided into two parts and
the questions in each part are answered in
the order indicated in your memorandum.

John Hagruder
Brig. Gen.
Director

~~Enclosures~~

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**REPORT OF BRIGADIER GENERAL JOHN MAGRUDER, DIRECTOR BSS, WD,
TO ASSISTANT SECRETARY LOVETT ON INTELLIGENCE MATTERS.**

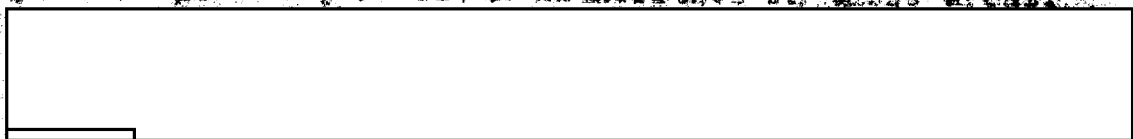
PART I

a. Present Functions of Strategic Services Unit:

Currently, the Strategic Services Unit is engaged in:

- (1) operating secret intelligence and counter-espionage branches of its predecessor, the Office of Strategic Services;* in Germany and Austria;
- (2) liquidating the OSS branches for the development and support of resistance groups and guerrilla warfare, maritime sabotage and other clandestine maritime operations, the development and execution of black propoganda campaigns, and field photographic work;
- (3) reducing the communications and services facilities which have served the above-mentioned activities as well as the Research and Analysis and Visual Presentation Branches which have now been transferred to the State Department.

The organization, which had a peak strength of approximately



and the reduction is continuing.

* Under its basic JCS directive (JCS 158/11/D) OSS was not permitted to operate in the Western Hemisphere except for Research & Analysis.

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2. The conduct of secret intelligence operations is a highly technical procedure which should be entered upon only with a full realization of its complexities, a determination to maintain it only on a long term basis, and a disposition to make available all necessary facilities.

3. The secret intelligence organization should be devoid of responsibility for or direct participation in the formulation of foreign policy and should be equally free from political control or that of any single or exclusive group of policy forming agencies.

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REPORT TO THE LOVETT COMMITTEE
FROM THE STRATEGIC SERVICES UNIT

This report is really a set of documents which is of particular importance, not so much because it presents any new plan but because it lays out very clearly the historical and the theoretical reasons supporting the necessity of establishing a centralized intelligence service. By the time this report was submitted the central idea was no longer new. The reasoning behind it was, however, not always fully understood, and it has not elsewhere, to my knowledge, been stated so comprehensively.