TO: Mrs. O'Donnell


This should be filed in General Donovan's file. I am giving a copy to Mr. Louis Ream and showing N. Putzell a copy.

JDW

FROM: ____________________________

(32816) _________________________EXT.____
12 July 1945

By dear Mr. Justice Jackson:

Relative to your letter of 11 July 1945, concerning the fiscal arrangements between OSS and your Office of Chief of Counsel (which your letter of June 6 confirmed), I thought that this matter was entirely settled.

You are right in stating that if under the procedure already established OSS cannot give you the kind of service you require without involving you in burdensome administrative details, then you should obtain personnel from departments that could assume the obligation. Other departments or Agencies may feel that this can be done, and may already be doing it. It seems to me, however, that the Congress will wish to know just how much has been spent in order to determine how appropriations should be made. If this be the case, the fact that an agency has a large or small appropriation is not the question. The real question is how, under your directive, there shall be a proper accounting. (I am sure you will want to have an accurate statement of just what it costs to run your office.) And that means bookkeeping.

Such bookkeeping is the reflection of the decision as to which government appropriation the expenses of your organization should be charged. Since Congress has not made that decision, the allocation of funds must be made by the President through his budget officer.

Insofar as OSS is concerned, it is required only that you should designate one person on your staff (I thought this had been done) as a certifying officer whose duty it will be to accept obligations in your name against your appropriation.

OSS can then do the rest in the following manner. It can present to your organization each month a statement of account which will show the number of personnel charged to you on OSS books and paid by OSS in those cases where salaries, expenses and services ought to be charged against your appropriation.

Of course, you understand that salaries and expenses of OSS military and naval personnel working for you are not charged to you.

Our existing arrangement is designed to relieve you as far as possible of administrative details and bookkeeping. This is true...
whether the personnel concerned are (1) already members of OSS and attached to your office, or, (2) presently or in the future engaged by the Bureau of the Budget in either work under the OSS fiscal officer of the appropriation. The Bureau of the Budget in either event informs the OSS fiscal officer of the appropriation symbol number against which a given expense is to be charged.

In any case it will be necessary for you to have a definite allotment from the President's emergency fund or some similar source — otherwise you will be a serfless, dependent for life upon other agencies who can hinder you if they so desire, and you will be in the position of receiving only the benefit of a diversion of funds appropriated by Congress for a different purpose. For the same reason that you must have assigned to you independent transportation, so you must have assigned independent funds.

There is no escape from some degree of administration; but this can be delegated by you to some one member of your staff. I think the plan under which we are working imposes the minimum of that burden.

Sincerely yours,

William J. Donovan
Maj. Gen., U.S.A.