

Office Memorandum • UNITED STATES GOVERNMENT

File # 297

TO : Assistant Director, Operations

FROM : Assistant Director, Reports and Estimates

SUBJECT: Sunshine Project

DATE: JUN 7 1948

REFERENCE: Memorandum to Assistant Director, Reports and Estimates from
Assistant Director, Operations, dated 11 May 1948, Same
Subject as Above.

1. The information requested in the reference memorandum regarding the functions, accomplishments, and status of subject project is as follows:

a.

(1) Functions. The functions of subject project were originally outlined in a memorandum by Captain S. B. Frankel, USN, to the Director of Central Intelligence dated 18 December 1946, a copy of which is attached marked Enclosure "A".

(2) Outline of Work Completed. The first undertaking of the research team set up under subject project, was a general survey of the material in the Hoover Library bearing on Soviet and Communist penetration in the Far East. This work involved not only surveying previously catalogued material in the Library, but screening the steady flow of incoming new material. An extensive card index was prepared giving the reference and a summary of the contents of the material considered relevant in this aspect of the project.

A second major undertaking of the team was an examination of all material in the Hoover Library which might reflect deviations or contradictions in Soviet policy, or divergence between Soviet theory and practice. The purpose of this study was to develop ammunition for a possible propaganda or psychological attack on the USSR. Extensive card files on relevant material were prepared and forwarded to ORE. A secondary aspect of this phase of the operation was a survey of the very extensive collection of Soviet propaganda posters available in the Hoover Library, which dated from 1918 to 1946.

A third major undertaking was a study of "control technique", or of the means by which the Soviet government and the Communist party exercised their control and direction over the various phases of Soviet economic, political, and social activity. This study also involved the use of the card system

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for recording and summarizing the contents of relevant material, and in addition developed information from which elaborate charts were prepared and forwarded to ORE illustrating the responsibilities and chains of command in the Soviet bureaucracy.

In addition to the three major endeavors outlined above, the researchers at Palo Alto have developed a substantial quantity of material on other related subjects including nationalism and internationalism in Soviet theory and practice, and the Soviet judicial system.

(3) Status of Work in Progress. At the present time the research team is devoting its major attention to the study of nationalism versus internationalism, and is beginning to explore the material on Soviet education.

(4) Projected or Future Assignments. Projected assignments for the research team are in the process of formulation and it is desired that no change be made until these plans mature. ✓

(5) Extent to Which Activities are Supervised. So long as the project was under the supervision of the Eastern Europe/USSR Branch, the Director of the project, [redacted], was advised in broad terms of the Branch's interests and needs. Beyond that, the direction of the project was left mainly up to [redacted] judgment. On one or two occasions officials of CIA visited him in Palo Alto, and on one occasion he returned to Washington for conferences. Detailed supervision, however, has been impracticable, and [redacted] sound and conscientious judgment has rendered it unnecessary. 50X1 50X1 50X1

b. Insofar as this office is concerned, the major objectives of the project are being accomplished. While all the material in the Hoover Library has by no means been fully exploited, enough information has been developed and carded to furnish a general idea of its scope and value. Furthermore, the researchers engaged in the project have obtained invaluable experience and training.

c. Administrative Procedures, Equipment, Facilities Used by Project.
(See attached file of administrative correspondence.)

(1) Table of Organization. The initially approved T/O for the Sunshine Project included one P-5 (part-time Consultant), three P-3 Foreign Affairs Analysts, and one CAF-5 Secretary. During the course of staffing the project, it was found necessary to reduce one of the P-3 positions to a P-1 position to employ a qualified young lady available on the Pacific Coast and at a later date, one additional P-3 slot was added. However, this last mentioned P-3 slot has never been filled and the P-1 position has been vacant by virtue of a resignation for some time. In addition the P-5 Consultant has not been used to nearly the extent originally expected.

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(2) Supervision. Initially the Eastern Europe/USSR Branch of ORE was charged with the substantive direction of the Sunshine Project, but in the fall of 1947 when it was contemplated that the project would undertake work not directly associated with that Branch, this function was transferred to the Office of the Assistant Director for Reports and Estimates. Administrative supervision of the project has always been lodged with the Administrative Staff of ORE. [redacted] (Acting Chief of the Project) has been delegated the responsibility for setting office hours, approving leave, and other minor operational responsibilities. 50X1

(3) Security Restrictions. Existence of the Sunshine Project is classified as RESTRICTED; the nature of its functions as CONFIDENTIAL. Administratively this means, of course, that the individuals assigned to Sunshine Project are not to be identified publicly as being associated with the Central Intelligence Agency. Ostensibly they are engaged in a private research project and only Dr. H. H. Fisher of the Library Staff is fully cognizant of the true situation.

(4) Administrative Services.

(a) Office Space and Furniture. Arrangements were made with the Library for the provision of space for the project at no cost to the Central Intelligence Agency. At one time, [redacted] recommended that some consideration be given to the possibility of compensating the Library for such space and furniture as was furnished by it. However, the Library has never suggested any repayment and no official action has thus far been taken. Equipment which cannot be furnished by the Library is at the present time requisitioned by the project through the Administrative Staff, ORE. Major items of equipment sent out from Washington include one safe, one microfilm camera, one portable typewriter and one standard typewriter. Supply requisitions normally have been prepared by Sunshine Project and forwarded to the Administrative Staff, ORE. 50X1

(b) Communications. All mail going from Washington to the Sunshine Project has in the past been addressed as follows: [redacted] Stanford, California. These communications have been sent in plain (not franked or printed) envelopes listing for a return address the name of the sender, [redacted] Washington, D. C. All classified mail has been placed in double wrappers and sent by registered mail. Mail from Sunshine Project to Washington has in the past been addressed as follows: Name of individual, Central Intelligence Agency, 2430 E Street N. W., Washington 25, D. C. This mail is also forwarded in envelopes on which the frank does not appear and [redacted] uses as a return address his own name and [redacted] Stanford, California. 50X1 50X1

Parcel Post packages going to or from Sunshine are handled in a similar manner. Packages, however, which are too heavy for shipment by Parcel Post are sent either by Railway Express or freight. In such cases, Storage and Issue arranges for the shipment, pays for it out of its petty cash funds, sends the receipt to Administrative Staff, ORE, which initiates a special funds voucher for the repayment of an individual in Storage and Issue whose name has been used throughout the transaction. Such shipments are addressed to [redacted] c/o Hoover Library, Stanford, California.

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Arrangements have been made with Moffett Field, California, a Naval Air Station, for the transmission of classified messages between Sunshine Project and CIA by electrical means in code. When the occasion arises, Communication Division, OSO, is familiar with the procedure involved in such transmission. One or more of the individuals on [redacted] staff have had sufficient cryptographic training to insure the smooth operation of this system. There is included below a discussion of transportation arrangements in connection with getting to and from Moffett Field.

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(c) Personnel. All personnel actions, including recruitment, initiation of actions for appointments, transfers, promotions, and resignations have in the past been prepared by the Administrative Staff, ORE, and processed through the Personnel Branch, CIA. In the matter of recruitment and promotions, [redacted] has been expected to make recommendations to Administrative Staff, ORE.

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(d) Fiscal - Budget. In the first ten months of the fiscal year 1948, the operation of Sunshine Project cost as follows:

01 - Personal Services	\$ 9,721.01
02 - Travel	376.45
06 - Printing and Binding	150.00
08 - Supplies and Equipment.....	346.00
Total	<u>\$10,595.44</u>

ORE's request for funds for the operation of the Sunshine Project during the fiscal year 1949 is as follows:

01 - Personal Services	\$24,391.20
02 - Travel	1,350.00
03 - Transportation of Things	1,500.00
04 - Communications Service	125.20
07 - Other Contractual Services	100.00
Total	<u>\$27,466.40</u>

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(e) Time and Attendance Reports and Payroll. In the past, Time and Attendance Reports for the personnel assigned to Sunshine Project have been prepared in the field and forwarded to Administrative Staff, ORE, Salary checks are mailed by Payroll Division to [redacted] with signature sheet enclosed by registered air mail. After obtaining signatures, [redacted] returns the signature sheet to Administrative Staff, ORE. 50X1

(f) Travel. In connection with necessary travel, Mr. [redacted] has made a letter request for travel authorization to the Assistant Director for Reports and Estimates. Administrative Staff, ORE, has prepared the travel request forms, secured the necessary approvals, and orders and transportation requests were issued to [redacted] through Administrative Staff, ORE. In view of the small size of the Sunshine Staff, Administrative Staff, ORE, has in the past prepared all requests for reimbursement for travel expenses on the basis of information furnished by [redacted]. As a general rule, the traveler involved has signed the voucher forms and sent them to Washington in blank. 50X1

In addition to special travel, [redacted] is called on rather frequently to make trips between Palo Alto and Moffett Field. On occasion, the Naval ROTC Unit at the University can make transportation available to [redacted] for these trips to Moffett Field at no cost to Central Intelligence Agency. However, when this transportation is not available, [redacted] must travel to Moffett Field by private automobile in view of the fact that there is no public transportation between these two points. During the course of the past two months, consideration has been given to working out a system by which [redacted] could be reimbursed for such travel. It must be performed on the spur of the moment and usually without prior authorization. However, [redacted] has recently reported that naval transportation between the two points is becoming increasingly available and no action is presently being taken in this matter. 50X1

(g) Postage Stamps. In view of the fact that security restrictions prevent the use of franked envelopes by Sunshine Project, [redacted] makes requisitions on Budget and Fiscal Division for postage stamps. These are sent out direct to [redacted] who accounts for them on a quarterly basis direct to Budget and Fiscal Division. 50X1

(5) Unfinished Business. There are two pieces of business currently in process in connection with the Sunshine Project. If desired by the Assistant Director for Operations, ORE will continue the processing of these items:

(a) There is in process at the present time a request for

reimbursement for travel performed by [redacted] between Palo Alto and Los Angeles. The original request for reimbursement submitted by [redacted] did not contain sufficient information and Administrative Staff, ORE, is currently securing the required additional information from [redacted]; and

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(b) A new Underwood portable typewriter sent to the Sunshine Project recently arrived with certain mechanical defects. This typewriter was taken by [redacted] of the Staff to a typewriter repair shop in Palo Alto for repairs for which she paid \$5.29. [redacted]

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[redacted]

d. Personnel. At the present time, three individuals are on duty at Sunshine Project and one is carried as a WAE Consultant. The three regular employees are [redacted] P-3; and [redacted], CAF-5. The WAE Consultant is Mr. D. M. [redacted]. This office does not have copies of the Forms 57 on any of these individuals but these are, of course, available from the Personnel Branch, CIA.

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Most contact between the Administrative Staff and Sunshine Project has been had with [redacted] is a very energetic, careful individual and from an administrative point of view has managed the Sunshine Project in a superior manner. When the question first came up as to the ultimate disposition of the Sunshine Project, it was decided that should it remain operative under ORE sponsorship, an effort would be made to have the P-5 Consultant position down-graded to a P-4 and designated as the Chief, Sunshine Project. If this arrangement could be made, Mr. Krassovsky would be made a Special Consultant to the Project not occupying a budget position. [redacted] gives glowing reports on the efficiency of [redacted], but the Administrative Staff, ORE, has had very little contact with him. Prior to her assignment to Sunshine Project, [redacted] was an employee of the Current Intelligence Group of ORE and is known to be an extremely efficient young lady. Our judgment on this has been borne out by the many good reports we have had on her efficiency from [redacted]. All three of these individuals were given efficiency ratings of Excellent for the latest efficiency rating period.

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"A" - Memorandum to DCI from [redacted], USN,

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18 December 1946

MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE GROUP:

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In accordance with orders issued by the Director, CTG and verbal instructions from [redacted] visited the Hoover Foundation and Library of War Revolution and Peace at Palo Alto, California, during the period 2-6 December 1946.

The following information, comments and recommendations are a result of observation and conference with the Director of the Hoover Foundation, Dr. H. H. Fisher, his associates, assistants and other contacts:

1. THE SLAVIC SECTION OF THE HOOVER LIBRARY---This section has been handled for over twenty years by Mr. D. M. Krassovsky, a Russian emigre who is a graduate of the St. Petersburg Law School. Mr. Krassovsky is engaged in the cataloguing of the vast store of material, a considerable portion of which has already been catalogued and the remaining material so arranged as to be reasonably available for research reference work. The scope of material is extensive; inspection showed that there is much of definite and probable value to intelligence agencies including factual intelligence in the form of photographs, charts, and descriptions of geographic areas; summaries of economic achievements; population shifts; exploitation of natural resources such as waterways projects, hydro-electric power, mining, etc. Of particular interest is the amount of material which could be profitably exploited for mapping out a psychological warfare program; such material includes publications now withdrawn from the eyes of the Soviet citizen because of statements contained therein which have since been denied or altered 180 degrees such as the early works of Lenin, Stalin and early Bolshevik leaders since discredited, newspapers and periodicals containing such statements, propaganda posters whose reproduction would now be embarrassing, etc. Photostats of such material would be powerful ammunition for the psychological warfare arsenal to have on hand.

2. THE SCREENING OF NEW MATERIAL---Dr. Fisher is prepared to assist in the screening of new material for information of value to military intelligence. In anticipation of the receipt of material in the Chinese language dealing with Soviet penetration of Manchuria and China, he has lined up two Chinese professors and several qualified assistants. He is prepared to make office and working space available to representatives of Government agencies and believes that screening can better be carried out at the Library both because of the specialists available to him and the correlated material which might be received independent of Army or Navy transmittal. Since the linguistic experts can readily scan the material and furnish resumes of the contents to military representatives for appropriate action by the latter, it is considered both feasible and desirable that the screening be done at the Library.

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3. ESTABLISHMENT OF A CIG RESEARCH UNIT-----Office and working space can be made available at the Library for a small research unit. Housing for males is immediately available at the officers' club at nearby Moffett Field and for families can be arranged at Federal Housing projects within a radius of 20 miles. Security of material and classified correspondence can be arranged through the C. O. of the Naval ROTC at the University, the C. O. of Moffett Field, or Army posts in the vicinity of San Francisco. It is recommended that a small experimental unit be established to consist of not more than four graduate students of Russian language courses, these to be selected for their linguistic and research qualifications and to include representatives of the services. This personnel, in addition to screening new material, would engage in research projects directed by CIG and would search the Library for pertinent material desired by intelligence agencies. Suggested studies of immediate interest are:

- (a) Technique of Soviet Penetration in the Far East
- (b) Departures of Sovietism from the Communist Ideology
- (c) Customs, Traditions, and Superstitions of Soviet peoples which clash with Applied Communism

Note: The latter two for psychological Warfare program.

It is further recommended that Mr. Krassovsky be engaged as a consultant and research worker on his own time, either on a salary or project basis. He has indicated a willingness to act as such and Dr. Fisher interposed no objection when consulted on this subject. Mr. Krassovsky's assistance to researchers would be invaluable because of his unique knowledge of the Library and his command of Russian and familiarity with other Slavic tongues.

/s/



Captain, USN

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