

~~SECRET~~GROUNDWORK FOR INITIAL OPERATIONS WITH NEW NSC AUTHORIZATION

On 21 November the NSC authorized the expenditure of [] for the strengthening and minimal arms equipment of 2,000 troops under Simbolon, this sum to include ten million rupiahs (\$325,000) in cash for Simbolon to rebuild his troops and solidify his role as the dissidents' coordinator. * NSC's action specifically approved a CIA memorandum submitted to the NSC on 19 November, which summed up in considerable detail the facts, discussion, conclusions and recommendations pertinent to the Indonesian program. ^{1/}

(b)(1)
(b)(3)(b)(1)
(b)(3)

*Subsequent to the NSC's approval on 21 November of the special political program for Indonesia, the DCI notified the CIA Comptroller, in a memorandum dated 28 November, that fiscal year 1958 funds totaling [] for the Indonesian project could be released from the CIA Reserve for Contingency. The DCI's memorandum indicated that expenditures might be written off to expense on the basis of receipts or appropriate statements in lieu thereof, and a certification by the Chief of FE Division that such expenses were necessary and within the authority of the project. FE Division was to maintain a single substantive "Eyes Only" file on such expenses. Project HAIK was approved on 2 December 1957.

(b)(1)
(b)(3)~~SECRET~~