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Almost all Montagnard refugees are at least temporarily resettled and receiving minimum food, shelter and security.

The Embassy comments that while this information somewhat reduces the urgency of the problem, it does not change the problem's magnitude or importance. Difficulties stemming from the absence of a well directed, national Montagnard relief program, limited relief resources, and the Vietnamese prejudice against the Montagnard continue. But the principal and most encouraging aspect is the fact that the Montagnard have fled the VC pressures and more may do so.

Strategic Hamlet Program. The second ten day training course for 490 strategic hamlet cadres was inaugurated by Ngo Dinh Nhu in Saigon July 2.

Future Plans. According to CAS, General Dinh's plan for the pacification of Binh Dinh province has been approved by Diem and will soon be presented to the Embassy. The First Corps Commander is also reportedly developing plans for two provinces in his area; these plans are said to stem from the U.S. interest and support for Hai Yen.

15. Provide Increased Technical Assistance.

Village Radios. As of July 4, 817 of the planned 2500 village radios were installed and operating. Tests of radios for use on trains were started.

Defoliation. The Embassy has proposed a test of the effectiveness of defoliants against VC food patches in the mountainous area of Operation Hai Yen. Governor Harriman opposes the use of defoliants on food crops because of the effect on Asian opinion. Decision and action will be delayed until the Governor's return from Geneva.

20. Integrate Economic Measures with Counterinsurgency Effort.

Agricultural Extension. A pilot training program for agricultural efforts associated with counterinsurgency plans opened July 3 in Qui Nhon. One hundred farmers will study farming and stock raising methods for one month, including the use of fertilizers and pesticides.

Provincial Hospitals. Construction of four of the 25 planned hospital surgical suites began on schedule.

Anti-Rat Program. The USOM-supported rat destruction campaign was carried out in ten northern provinces June 12-22, resulting in the destruction of an estimated 15-20 million rats or 20,000 per village.

25. Publicize the War Within Viet-Nam and Internationally.

Viet-Nam Photo Service. USIS Saigon is sending out a weekly packet of photos designed to enlist third country interest and support for the GVN

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