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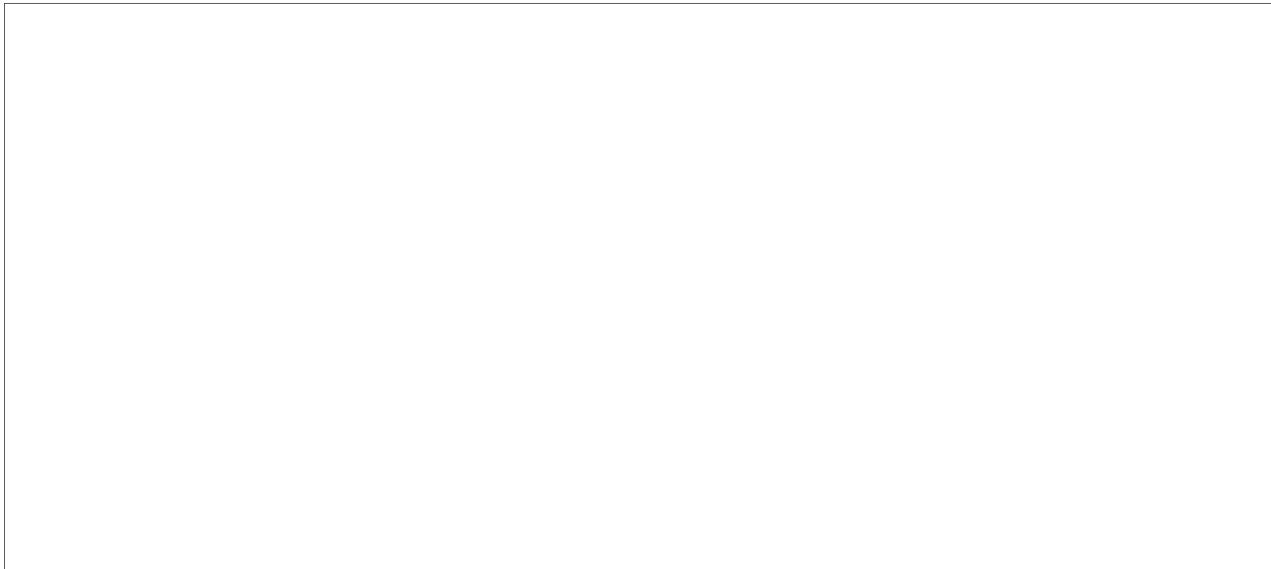
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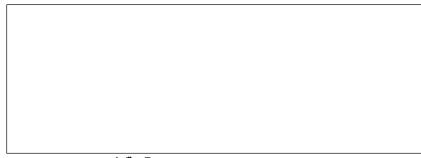
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GENERAL

1. Thailand eager to participate in Indochina discussions at Geneva:

Comment: Thailand, as a cobelligerent, has accepted an invitation to take part at Geneva in discussions on Korea. Its eagerness to share in the Indochina discussions reflects concern that the conference might lead to a French withdrawal and a Communist victory in Indochina. This possibility has also apparently stimulated Thailand's interest in closer cooperation with the Associated States.

2. Soviet-Iranian talks reportedly proceeding smoothly:

Iranian foreign minister Entezam told Ambassador Henderson on 9 March that Soviet-Iranian negotiations on border and financial problems were proceeding more smoothly since the return of the Soviet ambassador from Moscow. He said that it was questionable whether the value of the areas now occupied by the Soviet Union warranted Iran's rejection of an opportunity to obtain an undisputed border in the north.

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He added that the Soviet negotiators seemed to think there would be no great difficulty in arranging the release of Iranian gold credits if border problems were settled. Entezam said that the USSR had not intimated that it desired to discuss matters other than those under negotiation.

Comment: While there have been conflicting reports on the status of the negotiations, a settlement of border questions on these terms would be generally favorable to the USSR. Moscow successfully negotiated a boundary settlement with Afghanistan in 1948 and renounced its territorial claims against Turkey in May 1953.

In subsequent discussions concerning the release of Iranian gold credits, the USSR may inject other matters.

SOUTHEAST ASIA

3. New Viet Minh threat to Dien Bien Phu reported:

[redacted] that the Viet Minh is stockpiling smoke and white phosphorus shells around Dien Bien Phu, [redacted]

[redacted] The French anticipate that any smoke concentrations would make their dug-in positions intolerable and have requested 20,000 gas masks.

Meanwhile, [redacted]

[redacted] an unsuccessful enemy attack against one of Dien Bien Phu's defensive positions, [redacted] this action as probably presaging a general attack.

4. French reportedly plan early offensive south of Tonkin delta:

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Comment: The province of Thanh Hoa has been a Viet Minh stronghold since 1945, and any successful French raid there would provide a badly needed response to recent demonstrations of Viet Minh initiative within the delta. With their current dispersal of reserves, the French could attempt only a limited operation against Thanh Hoa, but could be expected to exploit it in their press releases.

5. French Foreign Ministry official favors negotiations with Ho.

[redacted] Deputy Political Director Margerie of the French Foreign Ministry expressed to American embassy representatives in Paris on 11 March his agreement with Pierre

Mendes-France's demand for negotiations with Ho Chi Minh, maintaining that "the only way to make peace was to talk with those who were making war." He said that Foreign Minister Bidault had no enthusiasm for the Geneva conference, which domestic pressure had forced on him.

The French official also noted that concern over the Indochina war was far more a parliamentary than a public feeling, since only a relatively few families have men in the professional military units subject to duty in Indochina.

Comment: Heretofore the French Foreign Ministry has been opposed to negotiations with the Viet Minh. Since Bidault is pessimistic on the outcome of Geneva, the Foreign Ministry may be considering the possibility of post-Geneva negotiations with Ho.

NEAR EAST - AFRICA

6. Iranian army officers reportedly submit grievances to shah.

[redacted] A group of 20 unit commanders and field grade officers occupying key positions in the Tehran area has submitted a list of grievances and demands to the military governor to be delivered to the shah on 11 March, [redacted]

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The group charges that the general staff is incompetent and fails to favor pro-shah officers, and that supporters of Mossadeq, in particular 45 generals, have not been removed. The removal of Deputy Chief of Staff Akhavi and his supporters is also demanded.

Comment: The shah may consider that the officers' protest was inspired by Prime Minister Zahedi, whose recent criticism of the army and high-ranking officers reportedly infuriated him. The struggle between the shah and Zahedi could seriously impair the army's efficiency and its ability to maintain internal order.

7. Iraq fears foreign interference in Syria:

[Redacted] Iraq's Prime Minister Jamali told Ambassador Berry on 11 March he has received reports that France, Saudi Arabia and the United States are currently "active" in Syria.

Jamali fears that France is attempting to re-establish a sphere of influence in Syria with the assistance of other great powers. He hopes American activity will be directed toward promoting closer relations among Arab states, particularly Iraq and Syria, rather than toward dividing the Arab world into foreign spheres of influence.

Comment: [Redacted]

[Redacted] France and Israel are deeply concerned over the possibility of Iraqi-Syrian union now that Syrian dictator Shishakli has been overthrown. Saudi Arabia has long subsidized influential Syrians who oppose union with Iraq.

Jamali's approach to the United States is probably aimed at forestalling any American opposition to such a union. Baghdad is not likely to seek union through force, but extensive maneuvering by Iraq and other interested powers may promote more disorder in Syria and the area. [Redacted]

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~~TOP SECRET~~**8. Egyptian regime reportedly breaks with top civilian political advisers:**

Colonel Nasr has ordered the regime's official newspaper to attack former premier Ali Maher,

This decision was made because of Maher's role in promoting the proclamation on 5 March of elections for a constituent assembly. His activities are described as those of a "man fishing in troubled waters."

Comment: Ali Maher, four times premier and outstanding independent political figure, has been considered one of the council's principal political advisers. A break with him at this time would place another important civilian leader in opposition to the regime.

EASTERN EUROPE**9. Czechoslovakia asks help to develop coal industry:**

The Czech delegate to the UN Economic Commission for Europe, meeting in Geneva, stated on 11 March that Czechoslovakia "would like help in the mechanization and rational use" of its coal mines. Admitting that Czech coal production is inadequate, he suggested to the ECE coal committee that greater attention be given to a "more rational use of European coal resources and higher productivity."

According to a Reuters dispatch from Geneva, Western delegates to the meeting interpreted the Czech action as a "hint" of advances to be made at the forthcoming East-West trade talks.

Comment: This Czech maneuver suggests that the Orbit is prepared to take new steps, through ECE, to foster implementation of current Orbit domestic programs.

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Beginning with the ECE meeting last April, Orbit countries have shown an increased willingness to discuss trade with Western nations on a more businesslike basis, which resulted in a number of new trade agreements.

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