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## SUMMARY

## GENERAL

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#### GENERAL

1. <u>US Ambassador reports serious US-French disagreement over military program:</u>
3.3(h)(2)

US Ambassador Bruce in Paris reports the possibility of a "very damaging crisis" in US relations with France over the amount and method of US assistance to the French rearmament pro-

gram. Foreign Minister Schuman told the US Ambassador on 15 April that the French Cabinet is "puzzled and resentful" over the situation and, in order to deal with it, has scheduled discussions "with difficult and unfortunate implications! to deal with it. All members of the US Embassy, the Military Assistance Advisory Group and the ECA Mission who deal with this question are "acutely aware" of the "dangerously surcharged atmosphere. " The Ambassador believes an urgent necessity exists to terminate this state of affairs, in view of: (a) Gaullist criticisms that the present French Government is "totally subservient" to US instructions; (b) the necessity of insuring mutual confidence at the Foreign Ministers Conference which is "probably approaching" (c) constant negotiations with the French over military installations; and (d) "many other political objectives of major importance" requiring the kind of close understanding and French faith in US leadership which "simply does not exist at present." This "discouraging" situation, according to the Ambassador, stems primarily from conflicting interpretations of the military assistance agreement reached last October in Washington and also from misunderstandings of unilateral actions taken by both governments under that agreement. He feels that it is "comparatively irrelevant" whether the fault for a failure of US diplomacy at this juncture would lie basically with the French.

Comment: Periodic reports on the disagreement over this matter have been received in the past few months, but the tone of extreme urgency in the Ambassador's message is unexpected. Recently, the French Government has also resented the fact that it was excluded from preliminary US-UK talks on Eastern Mediterranean and Yugo-slav problems. Furthermore, there has been ample evidence that US influence in Indochina is already feared by French officials, including General de Lattre himself, and that the French Government will be increasingly hard pressed in the pre-electoral period to defend its policy

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of military colaboration with the US against Gaullist and Communist attacks. The reported developing "crisis" in relations with the US need not be expected, however, to weaken France's firm orientation toward the West or its growing support of Western rearmament.

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#### **NEAR EAST**

3.	Shah reaffirms confidence in Iranian Prime Minister Ala:  3.3(h)(2)
	On 17 April, the Shan of Iran informed US Am-
	bassador Grady that he will back Prime Min-
	ister Ala on any and all measures to crush
	activities of the pro-Soviet Tudeh Party and
	to destroy the effectiveness of the Fedayam Islam (a fanatic Moslem
	organization). Despite what the Ambassador had been told earlier re-
	garding the Shah's alleged plan to ask for Ala's resignation and to in-
	stall Seyyid Zia Ed Din Tabatabai in his place, Grady now states that
**	the Shah shows no evidence of such an attitude. Grady added that.

while the Shah might later have to call on Seyyid Zia, he had definite

reservations concerning him.

Comment: The Shah's continued confidence in Prime Minister Ala is an encouraging sign for stability in Iran. Ala's task will remain difficult, however, and agitation for his replacement will undoubtedly continue. Apparently, the report that the Shah planned to replace Ala with Seyyid Zia at this time is little more than a rumor circulated by Seyyid Zia's supporters in an effort to procure the premiership for their candidate.

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### WESTERN EUROPE

# 5. Abductions of Austrians in April now total six:

US Minister Donnelly in Vienna reports that the current epidemic of Soviet abductions, which began on 5 April and which is troubling Austrian Interior Minister Helmer, has in-

volved six victims to date, all of whom were obscure persons. The abductors have included Communist members of the Austrian criminal police (acting under Soviet orders), commandeered Austrian police accompanied by Soviet officers, and, in one case, an unknown agent in civilian dress.

veals no discernible pattern in these abductions, apart from the fact that at least three of the victims had some prior contact with US personnel in Austria. The Soviets may therefore have wished to warn the Austrians against too close association with the US or they may have desired to obtain particular information which they believed the victims possessed.