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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
2 September 1968

INTELLIGENCE MEMORANDUM

The Situation in Czechoslovakia and Rumania
(As of 1130 EDT)

(40)

1. An AP report from Moscow quotes Communist sources as saying that an important meeting of the Soviet party central committee on Czechoslovakia is expected, and may already have started. Large numbers of government limousines were seen parked outside the central committee building. No official information from Soviet sources could be obtained. According to Communist sources, the meeting was called to seek ways of mitigating hostile world reaction to the occupation of Czechoslovakia, particularly the criticism voiced by the French and Italian communist parties. These sources said that the Kremlin was considering some conciliatory gesture such as partial withdrawal of troops. Though unconfirmed, these first reports from Moscow imply continued perturbation within the Soviet leadership over the Czechoslovak problem.

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2. The US Embassy in Moscow had seen evidence in the Soviet press of 1 and 2 September of an effort to take some steam out of the Czechoslovak situation, both internally and externally. Life in Czechoslovakia is portrayed as returning to normal at a fairly satisfactory pace, despite the continued presence of "counter-revolutionaries." Improved relations between Soviet soldiers and Czechoslovaks are stressed. Pravda on 2 September specifically denied the "fabricated" story of the "serious illness" of an unspecified Czechoslovak leader -- presumably Dubcek -- and denied rumors of arrests among Czechoslovak intellectuals. The press has suspended denunciation of Yugoslavia, Rumania and Austria. Although "imperialists" remain under attack, specific references to the U.S. are rare.

3. At the same time, today's Pravda warns the Czechs against resuming negotiations with Western countries for hard-currency loans. Although claiming that the USSR and Czechoslovakia are "sovereign and equal" trade partners, Pravda said that "only political infants could think about...flirting with imperialist monopolies who seduce simpletons...with heavy credits." The \$550-million hard currency credit requested by the Czechs from the USSR several months ago has not been granted. Since

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last spring the Czechs also have made inquiries of several West European sources on the availability of credits. It now appears that the Czechs will be precluded from seeking the large Western loans and technical assistance needed to develop efficient Czech export industries.

4. The US Embassy in Prague reported on 1 September that the Soviets do not seem to be proceeding with haste in clamping down on Czechoslovakia. Despite continuing rumors of an impending wave of arrests, the Embassy had not heard of any arrests of specific intellectuals or others. [redacted]

[redacted]

sources have described the current Soviet tactics as "Machiavellian," and suspect the Soviets hope to lure back Czechoslovaks now abroad so that they will not propagate Czech resentment. The Czechoslovaks are also suspicious of the relatively lenient Soviet attitude toward the press, believing the Soviets hope to beguile writers with progressive tendencies and then "pick them off." [redacted]

[redacted]

5. The Czechoslovak Journalists Union reportedly announced yesterday that it will accept censorship for three months only.

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It also stated that the Soviets have insisted that three of the more outspoken and liberal journals, Reporter, Student, and Literarni Listy, be forced to cease publication. Two other papers, the trade union daily Prace and the Socialist daily Svobodne Slovo, announced yesterday that they intend to test the limits of permissible publication under the new conditions. The Embassy reported that most papers were still operating, but from outside their premises.

6. Reuters reported today that some 500 Czechoslovaks expected to arrive in Vienna last night were not aboard the Prague-Vienna express train. Austrian officials suspect that the Soviets have tightened border controls. In this connection, the US Embassy in Prague learned from several Czechoslovaks yesterday that as of 1 September no exit permits will be issued for a period of at least several days.

7. Military activity in Bulgaria picked up this morning with the beginning of a ground forces field training exercise involving at least the Bulgarian army formation in the eastern part of the country. An air defense exercise was under way yesterday in northeastern Bulgaria and probably was a prelude to the ground activity. Bulgarian aircraft remain deployed

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at airfields in the northeastern part of the country. [redacted]
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8. Restrictions on the travel of Allied liaison missions in southeastern East Germany have been extended once again by the Soviet commander in East Germany. The new terminal date of the travel ban is 15 September.

9. The Rumanian press has not published or commented on President Johnson's speech, and, according to ^aRumanian newsagency official, would not do so in an effort to avoid anything which could be interpreted as "provocative." The US Embassy in Bucharest notes that the Rumanian press of 1 and 2 September had virtually no coverage of the situation in Czechoslovakia.

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