op. Center DEPARTMENT OF STATE CZECH TASK FORCE Situation Report 0800 Hours EDT, September 15, 1968 1. Yugoslavs Remain Unbending. Yugoslavia appears prepared to continue its independent policies in the face of Soviet displeasure and possible pressure. Alexander Grlickov, Director of Yugoslavia's relations with COMECON, said on September 14 that Yugoslavia would have to trade entirely with the West if the Soviet bloc severs trade relations because of Tito's condemnation of intervention in Czechoslovakia. The well known journalist Milika Sundic gave a somber appraisal of the effects of Moscow's policies on Soviet-Yugoslav relations. He observed in a radio commentary that "the rehabilitation of Stalinist methods in relations between socialist countries and communist parties clearly shows that the Soviet Leadership is abandoning the policy proclaimed at the 20th CPSU Congress ... " and suggested that Yugoslavs are prepared to ride out another rough period in Soviet-Yugoslav relations as they had on earlier occasions. (FBIS 05, UPI) DECLASSIFIED E.O. 12356, Sec. 3.4 NU 90-163 Group