

SECRET

[Czechoslovakia-USSR: Dubcek yesterday reasserted his regime's determination to continue its reforms even as it made some halfway responses to Soviet demands.

His statement came after the Czechs had in effect sacrificed the controversial Lt. Gen. Prchlik to the Soviets. The Czechoslovak Government on 25 July also approved the creation of advisory councils for radio and television. This step, without actually reimposing censorship now, is a nod in the direction of the Soviet demand for tighter control of news media.

Statements in the Czechoslovak National Assembly on 25 July and a heavy publicity campaign in recent days maintaining that Prague keeps its borders secure are a response by Prague to the Soviet demand that measures must be taken to strengthen the borders, particularly those with West Germany. A Czechoslovak journalist informed the US Embassy that Prague expects the Soviets to demand the stationing of Warsaw Pact troops in the country to "protect" the borders. He added that a Soviet note of 19 July carried this implication. The Czechoslovak attitude, thus far, indicates that Prague will balk at this demand.

The time and place of the meeting between the Soviet and the Czechoslovak leaders still seems to be under negotiation. Key figures from both sides were publicly identified in Moscow and Prague yesterday.

Dubcek, in referring to the still-pending talks, told a group of factory workers on 26 July that there is no need for "fears and mistrust" concerning the negotiations. He said that confidence concerning the "correctness of our new policy" is needed to help Prague "finally allay" the fears of the Soviets. He was apparently responding to rumors that the presidium was split, and to appeals issued by the writers' journal and trade union daily to defend resolutely the Czechoslovak reform program. ]

(continued)

27 Jul 68

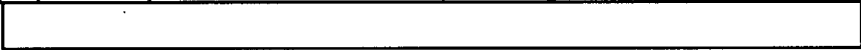
Central Intelligence Bulletin

2

SECRET

SECRET

[There was a suggestion of economic difficulty between Prague and Moscow in yesterday's remarks by the Czechoslovak foreign trade minister. On his return from talks in Moscow, the minister seemed to be putting the best face on the results by calling the discussions "successful." Nevertheless, on three of the most important questions of interest to the two sides--Soviet grain shipments, a Soviet credit, and a gas and iron ore agreement--the details probably remain to be worked out for 1969. These are items on which the Soviets might stall if they wished to add economic pressures to the political and psychological ones already being exerted on Prague.



25X1

27 Jul 68

*Central Intelligence Bulletin*

3

SECRET