

SECRET

[USSR-Czechoslovakia: The protagonists at Cierna evidently found a formula which will enable them to step back from their direct confrontation.

Czechoslovak President Svoboda's speech to the nation yesterday sketched out the general outlines of the arrangement. He intimated that the Czechoslovak side has gone some way toward meeting Soviet demands for a strengthening of Prague's links with the Warsaw Pact military alliance. The Czech President said that the Russians have, in turn, given their sanction to Czechoslovakia's program of domestic reform.

The deal on the military side could take a variety of forms, including an extended Soviet military presence. If the Soviets have conceded to the Czechoslovaks the right to go ahead with their action program, the cost to the two sides will depend on the concrete meaning of this generalized pledge and how the Soviets carry it out. The Czechoslovaks will have come out of the Cierna meeting fairly well if they have bought a relatively free hand in domestic affairs. It is by no means certain that they have done so.

The Czechoslovaks may also have given the Soviets assurance that they will remain firmly within Moscow's economic orbit.

The average Czechoslovak is likely to greet Svoboda's speech with mingled feelings of relief and regret. President Svoboda probably hopes that the firm warning he issued against anti-Communist and anti-Soviet activity will be sufficient to dampen the national reaction. It is not likely that the small student demonstration which erupted in Prague while Svoboda was speaking will be repeated on any wide scale. Liberals in the regime, however, will be on their guard against further concessions to the Soviets and their allies.]

(continued)

2 Aug 68

Central Intelligence Bulletin

1

SECRET

SECRET

[The meeting called for Bratislava on 3 August--involving the East Germans, Poles, Hungarians, and Bulgarians in addition to the Soviets and Czechoslovaks--is probably meant to tie down the terms of the Cierna arrangement.

There has been no substantial change in the status of Soviet troops on the Czechoslovak borders. Large Soviet convoys sighted by a US military attaché on 29-30 July in central Czechoslovakia confirm the presence of powerful Soviet combat forces in the country, according to the US Embassy in Prague. The embassy commented that the continued presence of the Soviet troops could conceivably constitute the de facto stationing of Soviet troops in Czechoslovakia for an indefinite period. There were additional sightings of Soviet troops in central and eastern Poland on 30 and 31 July.

25X1

2 Aug 68

Central Intelligence Bulletin

2

SECRET