

**Secret**



25X1



DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

DOE review  
completed.

State Dept. review  
completed

**Secret**

50  
10 September 1968

**Page Denied**

No. 0257/68  
10 September 1968

# *Central Intelligence Bulletin*

## CONTENTS

South Vietnam: Situation report. (Page 1)

Czechoslovakia-USSR: Differences appear unresolved as talks continue. (Page 3)



25X1

Venezuela: Relations with some Communist countries cooler because of the Czechoslovakia invasion. (Page 6)

Panama-France: The French agree to consider increased economic and technical aid. (Page 7)

France: De Gaulle appears preoccupied with internal problems. (Page 8)

Indonesia: The Communists' efforts to rebuild the party are hampered by factionalism and morale problems. (Page 10)

Rhodesia: Prime Minister Ian Smith has survived an unexpectedly strong challenge from the right wing of the ruling front. (Page 11)

Iran-USSR: Shah's visit (Page 13)



25X1

SECRET



SECRET

[ South Vietnam: Communist forces conducted coordinated attacks in Phuoc Long Province, but refrained from significant military initiatives elsewhere in the country on 8-9 September.

In Phuoc Long, the provincial capital of Song Be and all four district capitals came under enemy mortar and rocket attack during the night of 8-9 September. Probes against hamlets near Song Be lend credence to a report that the enemy wants to draw allied forces away from the provincial capital before attacking it. Two Communist infantry battalions and an artillery support group are believed within easy striking distance.

Meanwhile, in the highlands, sharp clashes occurred between allied sweep forces and North Vietnamese companies and battalions threatening approach routes to Ban Me Thuot and Duc Lap.

\* \* \* \*

It is becoming increasingly common for South Vietnamese political leaders to look ahead to a post cease-fire period. They frequently couch their various plans in terms of strengthening the ability of nationalist elements to cope with the Communists in any future political competition.

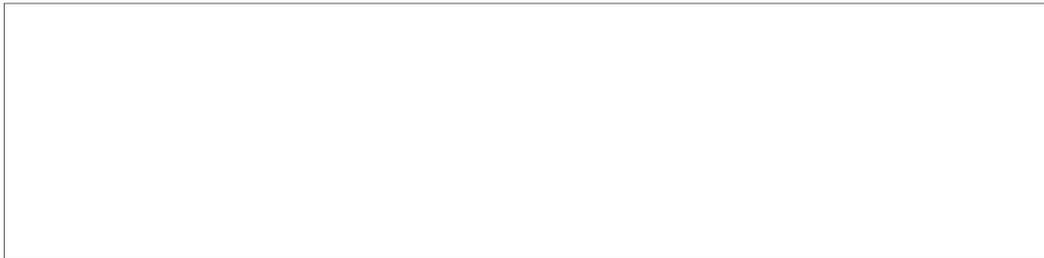
In the latest example of this trend, Senator Nguyen Van Ngai, a leader of the Revolutionary Dai Viet Party, makes a case for combining with other groups to form a new and larger party, by emphasizing the need for several broadly based parties to confront the Communists.

Other recent political developments that have been pitched toward such future competition include President Thieu's support for the Lien Minh, a new progovernment front, and for a new women's mass organization. Both he and Prime Minister Huong ]

SECRET

SECRET

have demonstrated a more active interest in getting a firmer grip on provincial affairs by numerous visits away from the capital in recent weeks.



25X1

10 Sep 68

*Central Intelligence Bulletin*

2

SECRET

[ Czechoslovakia-USSR: There is little to indicate that the talks between Soviet Deputy Foreign Minister Kuznetsov and Czechoslovak leaders are moving toward resolution of outstanding differences.

Kuznetsov conferred in Bratislava yesterday with Slovak party chief Husak, and with the head of the Slovak government as well. The special Soviet emissary may be on a simple fact-finding mission, but there is some suggestion of substantive exchange in yesterday's meeting with Husak. Soviet Ambassador Chervonenko was a participant yesterday, despite Czechoslovak hopes that Kuznetsov's presence in the country would ease the ambassador out of the picture.

The Soviet news agency, TASS, reportedly issued a statement last night highly critical of certain Czechoslovak newspapers for their allegedly "hostile statements" and "antisocialist positions." Until publication of this item, Soviet commentators during the past few days had been at pains to balance approval of Czechoslovak progress toward "normalization" against warnings that much remained to be done. Pravda, for example, referred yesterday to the persistence of "unhealthy manifestations" of nationalist and anti-Soviet sentiment, and added that counterrevolutionaries were plotting the formation of a secret front.

Czechoslovak news media obviously provoked the Soviets with a wave of muted, thinly disguised criticism over the weekend. By 9 September all newspapers had resumed publication, although some reported their offices in shambles after Soviet troops moved out. The Czechoslovak news agency resumed operations, and additional radio and television stations, some in bad condition, have been turned back to the Czechoslovaks.

Government officials continue to discuss censorship requirements and other new restrictive legislation. Two editors of liberal journals have been ]

SECRET

[replaced. On 8 September the chief of the newly created press and information office in Prague confirmed that the two guiding principles for Czechoslovak editors are to avoid overt criticism of the occupying nations and to publish nothing which detracts from the leading role of the Communist Party. On the same day, the justice minister indicated that the government was preparing for submission to the National Assembly legislation which would regulate the rights of assembly and travel. Until these laws are enacted, he added, the government would consider extraordinary measures to limit public assemblies and to disband "illegal" organizations. According to Slovak party boss Husak, another such measure may be the imposition of temporary restrictions on the issuance of exit passes for travel to Western countries.

At the same time the government is considering legislation to recompense individuals and corporations for damages suffered during periods of illegality, an obvious reference to the invasion and occupation. In addition, it was announced that political rehabilitations of the victims of Stalinism will begin in late September or early October. Work continues on long-standing plans to weaken the Interior Ministry by transferring its jurisdiction over the prisons system to the Justice Ministry.

Premier Cernik may have gone to Moscow yesterday to discuss economic relations, according to unconfirmed Western press reports. This meeting may have been scheduled for some time. In the past few days Czechoslovak news media have often recounted some of the economic losses suffered by the country as a result of the invasion, and this matter may enter into Cernik's talks, if indeed he is in Moscow.

There has been no significant change in the military situation in or around Czechoslovakia.

10 Sep 68

*Central Intelligence Bulletin*

4

SECRET

**Page Denied**

SECRET

Venezuela: Relations with Moscow and certain Eastern European capitals have cooled as a result of events in Czechoslovakia.

Foreign Minister Iribarren told the US ambassador on 5 September that his government has vetoed a proposed visit by a Polish trade mission. Embassy officers have also learned that two Hungarians expected this month on a commercial visit were refused visas because "Hungary had participated in the invasion."

Although Caracas has taken a hard line toward those countries involved in the invasion of Czechoslovakia, it continues to maintain and foster closer relations with Yugoslavia and Rumania. A high-level Rumanian economic delegation headed by Vice Premier Radulescu is expected to visit Venezuela and other Latin American countries in late September. [redacted]

[redacted]

25X1

25X1

SECRET

~~SECRET~~

Panama-France: Increased French assistance to Panama may be forthcoming as a result of president-elect Arias' visit to Paris.

According to a Foreign Ministry official, the French have agreed to consider participation in dam construction, increased industrial participation in the Colon Free Zone, assistance in developing tourism, and some technical and educational aid. At present, French economic aid and cultural exchange programs are minimal.

The official also said that the canal issue and US relations were deliberately avoided as topics of discussion, although they may have been covered briefly during Arias' private meeting with President de Gaulle.

25X1

10 Sep 68

*Central Intelligence Bulletin*

7

~~SECRET~~

SECRET

**[** France: In his first press conference in ten months, President de Gaulle appeared preoccupied with internal problems which surfaced in the student-labor crisis last May.

The decision to concentrate on domestic issues probably reflects De Gaulle's recognition that greater attention must be paid to internal policies if a repetition of the events of last May is to be avoided. The short shrift given to foreign affairs may also indicate, however, that De Gaulle at this point feels stymied in finding new initiatives to advance his primary foreign policy objectives. In particular, the Czechoslovak crisis has set back the goal of a European-wide detente to which he has devoted assiduous effort in recent years.

His failure to mention Vietnam--the first such omission in a press conference since 1964--is in keeping with the policy of scrupulous neutrality which France, as host for the Vietnamese negotiations, has been observing since the talks opened. Both this omission and his withholding of any current substantive reference to the US may indicate a continuing French interest, first evident several months ago, in improving the atmosphere of Franco-American relations. Although he again denounced the Yalta agreements in discussing events in Czechoslovakia and made clear his opposition to Soviet intervention, he added nothing new to his earlier pronouncements.

In the domestic sphere, De Gaulle's threat to "break or repress" any resurgent threat of violence confirms earlier indications that Paris will move quickly and harshly if new outbreaks occur. He combined a carrot with the stick, however, with his emphasis on the need for reform and "participation" in both the university and the economy. But his concept of how "participation" will function in the economic sphere remains fuzzy and he added little in the educational realm to proposals Minister of ]

SECRET

~~SECRET~~

[ Education Faure had already spelled out promising greater autonomy for individual universities, more participation for students and professors, and a diminution of the influence which the Paris bureaucracy wields.

His promise of a referendum at an unspecified date to approve his plans to merge the upper house of the French parliament, the Senate, with the advisory Economic and Social Council is a favorite Gaullist device to win public support for policies which may not be popular with entrenched political circles.

25X1

SECRET

Indonesia: Efforts by the Indonesian Communist Party (PKI) to select a new leadership and reorganize its provincial structure are likely to be hampered by increased factionalism and morale problems.

The party is reported to have lost almost half of its central committee, including the party chairman and his deputy, in the course of recent Indonesian Army operations against PKI militant elements in East Java. Until a new leadership can be organized, a five-member central committee group has been established to coordinate party affairs. This group is now arranging a meeting of senior party cadre, tentatively scheduled this month, to select a new politburo.

The PKI also plans to modify its provincial organizations throughout Java and hopes to have this accomplished by the end of the year. "Armed struggle" projects in East Java, which survived the army's campaign and which apparently were undertaken independently of party leadership, will be halted. The militant elements responsible for those operations will be absorbed into the regular provincial structure.

The leader of the central committee coordinating group, Sumarsono, apparently is now the de facto party leader. He is an experienced party official whose duties after the coup attempt removed him from activities in Java, leaving him free from blame for the party's misadventures there and in a good position to preside over reconstruction efforts.

25X1

SECRET

Rhodesia: Prime Minister Ian Smith survived an unexpectedly strong challenge from the hard-line right wing of the ruling Rhodesian Front during the party congress of 5-7 September.

By a slim margin--217 to 206, with 70 abstaining or absent--Smith won party acceptance of his constitutional proposals. The complicated, two-stage constitution would solidify white control over the country, but would also provide limited African parliamentary representation. Smith hopes Britain could swallow this package in a negotiated settlement of Rhodesian independence. The ultraextreme dissenters favored a second proposal that would have reduced African representation to obvious tokenism.

The vote dramatized the deep division within the party, but Smith should be able to maintain his leadership of the party and of the government for the immediate future. Although a recently formed right-wing party has picked up some defectors from the Rhodesian Front, it has not weaned away any of the leaders of the extremist faction, without whom the new party is unlikely to become a major force. More important, Smith is very popular with the electorate and if, as is probable, he now holds a referendum on the constitutional proposals, his margin of victory probably would be improved. In that event, Smith might even be willing to oust one or two right-wing leaders from the party, as he did in early July.

25X1

SECRET

**Page Denied**

**SECRET**

NOTES

Iran-USSR: The Shah plans to visit the USSR late this month. He probably wants to avoid a disruption in the developing Soviet-Iranian detente, and may even believe that he can exert a moderating influence on the Soviet leaders.

25X1

25X1

**SECRET**

**Secret**

**Secret**