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**THE DIRECTOR OF CENTRAL INTELLIGENCE**

WASHINGTON, D.C. 20505

National Intelligence Council

DDI-1423-82  
19 February 1982

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

THROUGH: National Intelligence Officer for Warning

FROM:   
Acting National Intelligence Officer for  
Western Europe

SUBJECT: Monthly Warning Assessment: Western Europe

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West Germany

1. Stress and strain between Bonn's coalition partners, the SPD and FDP, are increasing despite the recent parliamentary vote of confidence handily won by Chancellor Schmidt. The immediate problem results from compromises each party had to make in order to agree on a job-creation program. In attacking SPDers who hold that the stimulation package does not go far enough, FDP leader Genscher is trying to assure passage of the legislation, but also to safeguard his own party's identity with its electorate. Even if the employment stimulation program can be safely steered through Bonn's upper and lower houses, as Schmidt believes likely, tension between the coalition partners on economic questions will re-emerge later this year when serious discussion gets under way on the 1983 budget. In effect, the campaign for West Germany's 1984 elections has already begun, and as the CDU/CSU opposition sharpens its attacks on Schmidt, the FDP will be increasingly hard pressed to show where it stands.

2. There are signs that Genscher may be preparing for a breakup of the coalition, but we have no firm indication of such an intention. The chances at the moment are that he still sees more losses than gains in provoking an early fall of the Schmidt government. But the growing disarray within the SPD over security policy--the showdown over INF that Schmidt had hoped to avoid at the SPD convention in April now appears inevitable--will add stress to the coalition and possibly narrow Genscher's room to maneuver.

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### Spain

3. While none of the major political forces have an interest in the political instability that might attend early elections (they are still scheduled for spring 1983), there is increasing exploration of coalition options should Premier Calvo Sotelo's government fall a victim to unresolvable legislative battles--especially over university autonomy, public financing of private schools, or budgetary questions. On current form, the Spanish Socialist party would do well in elections, a prospect which some--King Juan Carlos among them--believe could trigger a coup attempt by the military. Hence the efforts to promote an electoral alliance between the UCD and moderate rightist groups. The Socialists themselves would prefer a center-left coalition in order to reduce their exposure. Calvo Sotelo's strategy during the coming months--which will coincide with the trial of the February 23 coup plotters--will be to try to finesse political confrontation as best he can. Apart from the legislative issues themselves, the principal threat to governmental stability will be further defections from the UCD.

### CSCE

4. The Allies now agree with the US that there should be a break in the Madrid CSCE session. But the West wants the neutrals to take the initiative on orchestrating a recess and they remain divided over tactics. Unless agreement is reached within the next week or so on how to achieve a recess, Alliance unity may break down, with a consequent resurgence of US-European disputes over the extent to which CSCE should be held hostage to the Polish situation.

### Turkey-Greece

5. Tension between the two countries has leveled off, but some Turkish forces in the Aegean apparently are on a low level of alert. Ankara has so far reacted skeptically to  "informal" suggestion by Greek President Karamanlis for a gentleman's agreement to avoid strong public statements. The Turks are apprehensive that Greece may extend its territorial limits to twelve miles, but we have no evidence that Prime Minister Papandreu is currently planning such a step. 25X1

### Italy-Nuclear Terrorism

6. In light of the persistent questioning by the Red Brigades of General Dozier on nuclear weapons storage depots, and other indications of terrorist

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capabilities, INR expressed strong interest not only in a new examination of the threat to nuclear storage sites but also of possible scenarios any counterefforts would have to cope with. An inter-agency project is now under way.



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