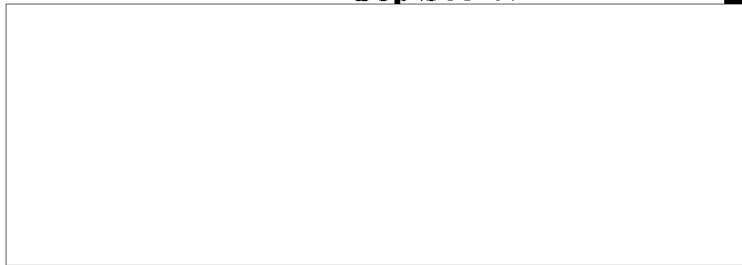




**Director of
Central
Intelligence**

Top Secret



25X1

National Intelligence Daily

***Tuesday
3 March 1981***

Top Secret

CO NID 81-0501X

3 March 1981

Copy 276

25X1

Page Denied

Top Secret

25X1



Contents

Briefs and Comments

Italy: *Political Maneuvering* 1

South Africa: *Economic Leverage on Neighbors* 2

El Salvador: *Results of Socialist International Meeting* . 3

USSR: *SA-X-10 Deployment* 3

Pakistan: *Poor Response to Strike Call* 4

Israel-Lebanon: *Raids Against Palestinians* 4

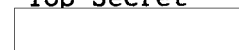
Special Analysis

Spain: *Assessing the Coup Attempt* 5



Top Secret

25X1



25X1

3 March 1981

Top Secret



25X1

BRIEFS AND COMMENTS

ITALY: Political Maneuvering

Political parties are beginning to jockey for position in the belief that the government might fall soon and force an early election.



25X1

The fragility of Prime Minister Forlani's government was underlined two weeks ago when it lost six successive procedural votes in Parliament because many members of all the coalition parties were absent. The government won five confidence votes on the same financial legislation this past weekend, however, indicating that the parties are not prepared to risk a showdown before working out their election strategies.



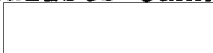
25X1

The Socialists--the pivotal partner of the coalition--apparently hope to expand their role in government and perhaps even capture the Prime Ministry by scoring new gains in an election. They probably will support Forlani, however, at least until after their congress in mid-April, when the leadership and policies of party chief Craxi during the last year are expected to gain formal endorsement. In the meantime the Socialists seem determined to prove that a Socialist-led Italy would be a loyal ally, convinced that US approval would be particularly helpful in realizing their ambitions.



25X1

Because of charges of corruption and incompetence, the Christian Democrats have been on the defensive recently but they are trying to exploit their long history as Washington's principal interlocutor among Italy's parties to persuade the Socialists to postpone their bid for control. The Communists probably would welcome new elections, if the Forlani government can first be kept in office long enough to demonstrate to the electorate that the Christian Democrats and Socialists cannot govern without Communist assistance.



25X1

The timing of any early election probably depends on the outcome of important referendums in May--the most controversial of which concern abortion--and local elections scheduled for June.



25X1



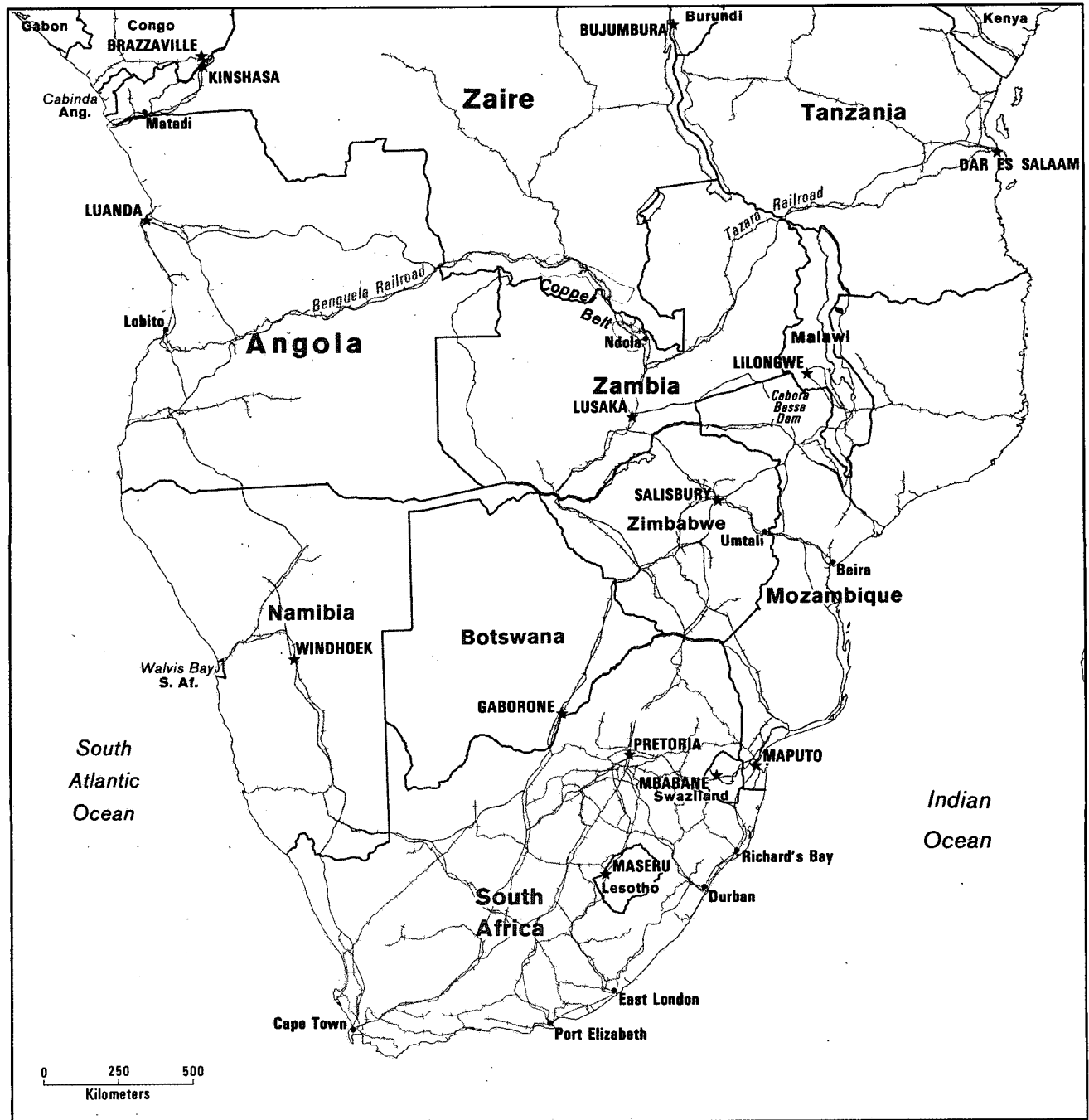
Top Secret



3 March 1981

25X1

25X1



629199 2-81

Top Secret



25X1

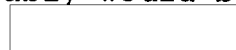
SOUTH AFRICA: Economic Leverage on Neighbors

The imposition of economic sanctions against South Africa-- which will be proposed in UN meetings on the Namibian issue--would have serious economic repercussions for Botswana, Lesotho, Mozambique, Swaziland, Zaire, Zambia, and Zimbabwe.



25X1

The seven states are deeply aware of their vulnerabilities to South African retaliation and remain reluctant to see sanctions imposed. They may find it hard, however, to deflect pressures from states farther north, which have little to lose from such a move. A call for sanctions probably would be backed by the Soviets and their allies.



25X1

Sanctions, unless total and long term, would have minimal impact on South Africa but would do serious damage to the economies of the seven black states. Pretoria would not hesitate to use its substantial leverage.



25X1

South Africa supplies 27 percent of the goods imported by these states, and transships all the oil imported by Zimbabwe, Botswana, Lesotho, and Swaziland. Five of the states derive 35 percent of their aggregate foreign exchange earnings from South Africa.



25X1

Zaire and Zambia ship half of their copper exports from South African ports. Even Marxist Mozambique depends on South African technicians to keep its ports and railroads running.



25X1

The alternatives available to the black states are few and unattractive. Port and rail facilities in Angola, Zaire, and Tanzania are already overburdened, poorly run, and in some cases, inoperable.



25X1

The loss of South African technicians would soon result in the deterioration of Mozambique's facilities. The region's poorly maintained road network could not handle a large traffic increase.



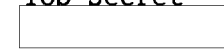
25X1

Even if the black African countries were able to secure the \$2 billion needed to put their road, rail, and port systems in working order, a lack of managerial talent and technical expertise and the South African - supported insurgencies in Angola and Mozambique would continue to prevent their full use.



25X1

Top Secret



25X1

3 March 1981

Top Secret



25X1



EL SALVADOR: Results of Socialist International Meeting

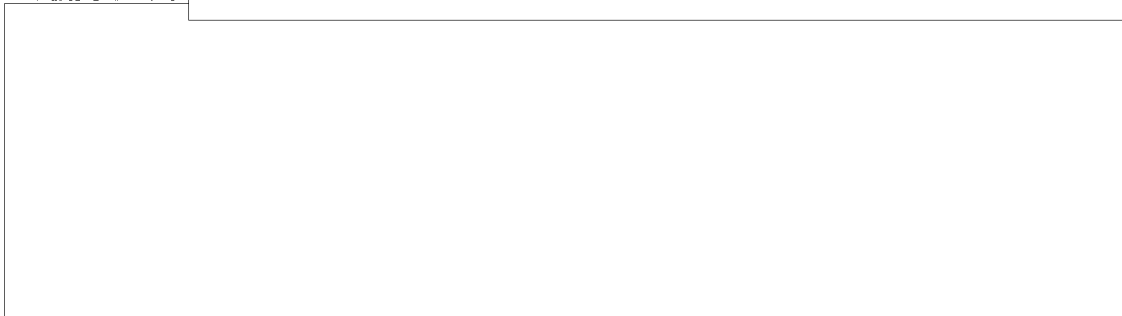
The Socialist International, which met in Panama over the weekend, reiterated its solidarity with the leftist opposition forces in El Salvador and said it considers the Revolutionary Democratic Front the legitimate representative of the Salvadoran people. The final communique's call for a political solution--presumably involving negotiations between junta President Duarte and the leftist opposition--is a moderation of the earlier Socialist International position. In addition, the group said that it would request its leader, Willy Brandt, to approach President Reagan on ways to reach a peaceful solution to the conflict. Many of the organization's Latin American and West European notables did not attend the session but did send representatives.



25X1

USSR: SA-X-10 Deployment

 the Soviets' newest strategic surface-to-air missile system, the SA-X-10, at two former SA-2 sites near Novosibirsk in Siberia. 

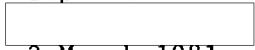


25X1

25X1

25X1

Top Secret



3 March 1981

25X1

Top Secret

[Redacted]

25X1

PAKISTAN: Poor Response to Strike Call

Lawyers boycotted the courts and doctors continued their week-long strike, but otherwise the opposition's call to observe yesterday as a "day of protest" went largely unheeded. The opposition coalition will be disappointed at this lack of response and disturbed that the only clerical party to join the coalition is backing out. Tensions remain, however, and the opposition grouping--which includes the popular People's Party--hopes to build momentum for protests throughout Pakistan on 23 March, a major national holiday, and 4 April, the second anniversary of former Prime Minister Bhutto's execution.

[Redacted]

25X1

ISRAEL-LEBANON: Raids Against Palestinians

Israeli airplanes attacked Palestinian guerrilla bases northeast of Tyre in southern Lebanon yesterday. This was the seventh Israeli military action in southern Lebanon this year and the first airstrikes since late January. Since early last year the Israelis have followed a policy of conducting periodic strikes against Palestinian bases in southern Lebanon in an effort to throw the guerrillas on the defensive and prevent them from organizing attacks against Israel.

[Redacted]

25X1

Shortly after the Israeli airstrikes, the Palestinians retaliated by shelling Kiryat Shemona with rocket fire. Palestinian reporting late yesterday indicated that Palestinian refugee camps near Tyre were shelled by Israeli or Lebanese Christian forces.

[Redacted]

[Redacted]

25X1
25X1

Top Secret

[Redacted]

3 March 1981

25X1

Top Secret

[Redacted]

25X1

SPECIAL ANALYSIS

SPAIN: Assessing the Coup Attempt

[Redacted]

25X1

The attempted military coup last week evidently came closer to succeeding than the government has been willing to admit. The assault on Parliament probably has not taken the heart out of ultraconservative officers, whose deep concerns are capable of leading them to try to intervene again. The immediate impact of the attempted coup will depend largely on how the investigation is handled and on how successful Prime Minister Calvo Sotelo's new government is in recognizing and addressing military concerns.

[Redacted]

25X1

Spaniards remember that their Civil War and, more recently, the revolution in Portugal were preceded by coup attempts that failed. In each case, the plotters benefited from lessons learned the first time around. This knowledge, combined with almost daily revelations that yet another senior military officer has been implicated in the "incident of 23 February," has tempered the initial reactions of relief.

[Redacted]

25X1

The Spanish military considers itself the final arbiter of the nation's destiny, and it has a tradition of intervening in the political process. From the early 19th century to the Civil War, military pressure generally took the form of a "pronouncement" against the authorities by a small segment of the armed forces, who would then hope for enough support to impose its will on the government.

[Redacted]

25X1

Lieutenant Colonel Tejero's assault on Parliament was in this tradition.

[Redacted]

[Redacted]

25X1
25X1

--continued

Top Secret

[Redacted]

3 March 1981

25X1

Top Secret

[Redacted]

25X1

The plot failed because King Juan Carlos acted promptly.

[Redacted]

25X1

25X1

Three Army Generals--Milans del Bosch, Armada, and Torres Rojas--have been arrested, another has been dismissed. The King reportedly believes that two or three other military region commanders were ready to declare a state of alert. Some 20 additional middle-grade officers, mostly civil guard lieutenants and captains, also have been detained along with the civil guards who occupied Parliament.

[Redacted]

25X1

Strengths and Weaknesses

In the face of mounting evidence of military complicity, Spaniards are analyzing the strengths and weaknesses surrounding the failed coup. The young democratic system withstood its first serious test, and Juan Carlos has emerged with enhanced authority.

[Redacted]

25X1

The King and a makeshift government of assistant ministers ran the country until the political leaders were freed. Moreover, the political parties, the trade unions, and the vast majority of security and military forces rallied to the crown.

[Redacted]

25X1

Although the public was initially apathetic or apprehensive, an estimated 3 million Spaniards turned out last Friday in support of democracy. The demonstration in Madrid probably was the largest in Spanish history.

[Redacted]

25X1

A new spirit of unity prevails in the ruling Union of the Democratic Center. In addition, the leftist opposition and the regional parties, realizing that they have most to lose from a military takeover, are

--continued

Top Secret

[Redacted]

3 March 1981

25X1

Top Secret

[REDACTED]

25X1

now less apt to challenge the new government--at least in the near term. One Basque terrorist organization also has declared a temporary truce. [REDACTED]

25X1

On the other hand, the King was forced to display his democratic colors once and for all. Future plotters will remember his comment to Armada that the coup would only succeed "over my dead body." [REDACTED]

25X1

Ultraconservative officers believe that the King betrayed the Army. Since the concerns of those ultra-conservatives are shared by much of the officer corps, many other officers may feel divided loyalties. This could limit the King's ability to perform one of his most important tasks--acting as a sympathetic listener to military grumbling. [REDACTED]

25X1

The morale of the security forces, already shaken by terrorist attacks and by a recent police scandal over the alleged use of torture, has suffered another setback. Police, despondent over the lack of government support, fear that they will all be blamed for the revolt of some 200 civil guards. [REDACTED]

25X1

Calvo Sotelo's Task

A witch-hunt to root out all vestiges of Francoism in the upper ranks of the military would have a devastating impact on morale and would heighten the chances of another intervention. If the military is allowed to clean its own house, pockets of ultraconservatism will be left untouched, but the prospects of keeping the lid on would improve. [REDACTED]

25X1

Most officers remain deeply conservative and favor strong, centralized authority. They see the government as increasingly powerless to prevent the dismemberment of Spain by regional separatists and the destruction of the basic Spanish value system. [REDACTED]

25X1

Calvo Sotelo's most urgent task, therefore, will be to establish an image of firmness. There are already signs that he plans to accommodate the military by shelving indefinitely such contentious issues as the

--continued

Top Secret

[REDACTED]

3 March 1981

25X1

Top Secret

[Redacted]

25X1

university autonomy and divorce legislation. He also may call a halt to the further devolution of power to the regions. [Redacted]

25X1

Impact on Foreign Relations

Spain's efforts to enter the EC and to negotiate a renewal of the bilateral treaty with the US are not likely to be affected. The pace of the government's pursuit of its commitment to join NATO, however, will depend at least in part on the reaction of the leftist opposition to the coup attempt. If this brush with militarism persuades the left that entry into NATO might help to restrain military adventurism, the government might push ahead quickly. [Redacted]

25X1

Top Secret

[Redacted]

3 March 1981

25X1

Top Secret

25X1



Top Secret