

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

NIC No. 5388-83
25 July 1983

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

THROUGH : National Intelligence Officer for Warning

FROM : Milton Kovner
: National Intelligence Officer for Western Europe

SUBJECT : Monthly Warning Assessment: Western Europe

(b)(1)
(b)(3)

~~SECRET~~

(b)(1)
(b)(3)Italy

3. The elections in June -- which are likely to result in a reconstituted five-party government -- have changed the familiar frame of reference for Italian politics. With the Christian Democrats down to its lowest total ever (32.8 percent), they are only 3 percentage points above the Communists, and there are signs that both parties may stay at these levels for some time. The smaller parties have gained, but the Socialists -- at 11.4 percent -- grew far less than they had hoped. Socialist leader Craxi is nevertheless expected to become prime minister of the new government, which many observers already expect to be short lived, particularly if agreement among the five-party coalition proves difficult over economic policies, and labor-management accord breaks down in the fall. Analysts believe that the government will be capable only of producing a watered-down austerity program, one not sufficiently strong to lower the inflation differential between Italy and most other OECD countries. One achievement, however, of a Craxi government -- if it lasted long enough -- could be movement on electoral and institutional reform, for which there is growing backing in Italy. The Communists, who fear being outflanked on the left, have vowed stiffer opposition to austerity -- as well as public support for anti-INF efforts -- but the PCI will still want to convey a sense of responsibility and will probably be more reactive than provocative. [redacted]

(b)(3)

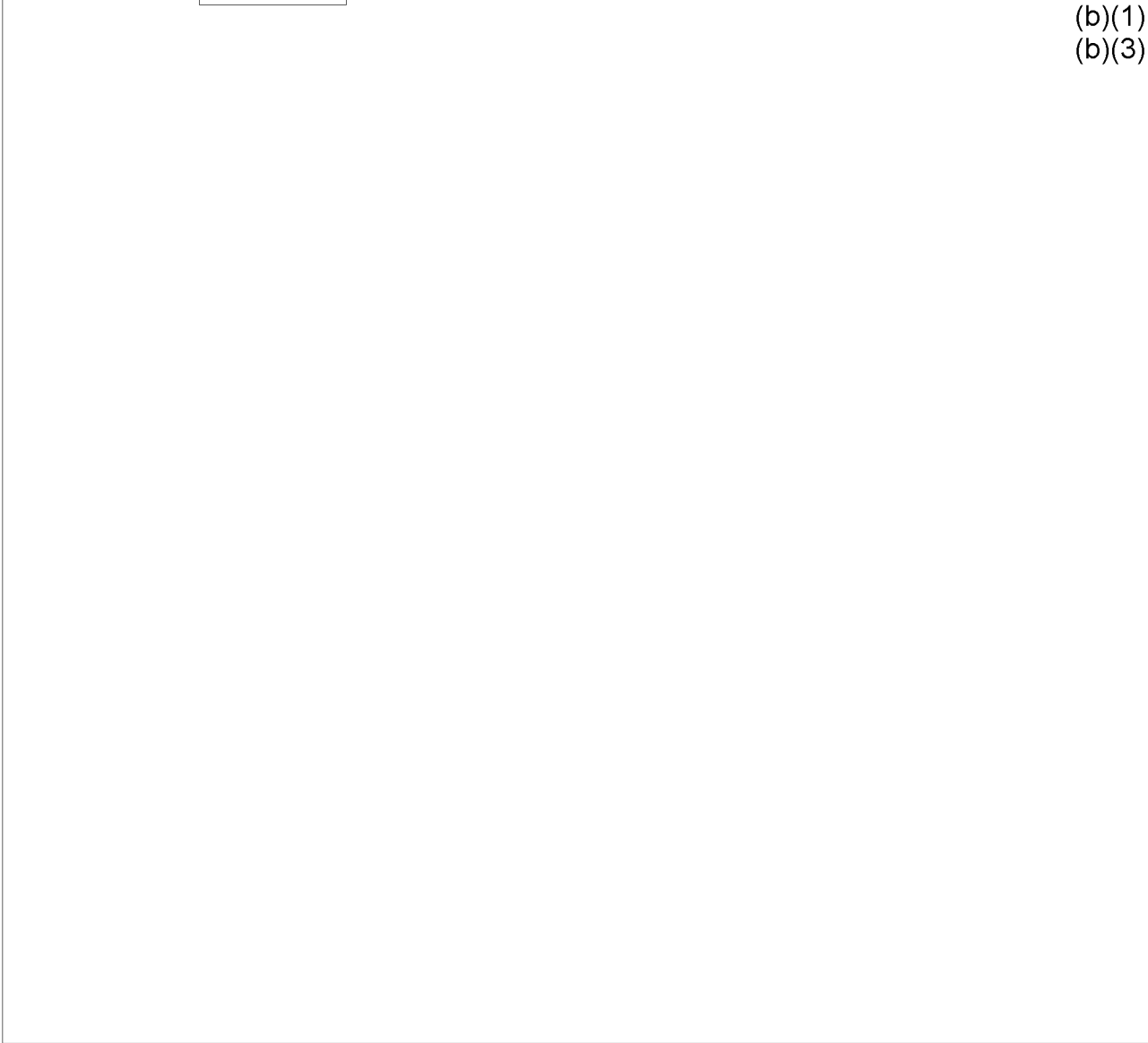
INF

4. West Germa/Krefeld Incidents: The recent violence during Vice President's Bush's visit to Krefeld confirms the potential of radicals to infiltrate peace marches and points toward similar attempts to exploit the demonstrations expected this fall. The mutual recriminations over handling the Krefeld incidents between state- and federal-level authorities has at least put Bonn on notice about the need for better coordination among security agencies. While the possibility of Krefeld-like violence may discourage some participation in subsequent peace demonstrations, politicians are citing the events in arguing for tightened laws governing demonstrations. A compromise between the FDP and CDU/CSU coalition partners has been reached on changes to anti-demonstration legislation, but it is not certain that new laws will be passed before the fall. If they are not, peace activists may be radicalized as much by the parliamentary debate as by INF deployments themselves. Some analysts believe that new legislation risks becoming an

(b)(3)

inflammatory civil-rights issue and will be held by demonstrators to be "another step" to restrict liberties. Others contend that the public can accept a good deal of police action before it becomes a civil liberties question, as long as it is clear that demonstrators have provoked violence.

(b)(3)



(b)(1)
(b)(3)

Milton Kovner
Milton Kovner

(b)(3)

(b)(3)