

Cossiga's policies damaged industry badly, and in the case of ENI, the state-owned petrochemical concern which is the backbone of Italian industry, Cossiga himself is suspected of being involved in the concoction of a bribery scandal that resulted in the cancellation of oil shipments by Saudi Arabia, badly damaging Italy's oil-supply position. The Socialist Party, a key pillar for his government until recently, passed a resolution on Jan. 17 declaring that its "ceasefire" with the government is now over. Even the Republican party, a creation of the British Secret Services during World War II, declared a few days ago that it can no longer accept the premier's policies. The trade unions recently expressed their dissatisfaction with a day-long general strike.

Industry was enraged by Cossiga's support for Carter's economic sanctions against the U.S.S.R. Fiat, took the occasion to conclude an agreement with the Soviets for construction of a "new Togliattigrad"—the huge auto plant built in the Soviet Union. Similar negotiations with the Soviet Union for major deals are underway by virtually all major Italian industries.

At present, Andreotti has a clear majority of the delegates that will attend the next congress of the Christian Democracy. The only question is when that Congress will occur. The small, Radical Party—prominently associated with its advocacy of drugs and homosexuality as political policy—launched a campaign of obstruction in parliament preventing action on new laws against terrorism. The Radical Party's actions were then used by Cossiga to postpone the Christian Democracy's congress, in order to "first deal with the Radicals."

On Jan. 29, Cossiga visited London for talks with Prime Minister Margaret Thatcher, who became furious with him, first, for being two hours late, and then, when he announced that he was politically unable to go along with Carter's policies of sanctions against the U.S.S.R. Then, he made the error of explaining his lateness by reporting that he was detained for a last-minute conversation with West German Chancellor Helmut Schmidt, who is openly flaunting the Carter-Thatcher policy. At the end of the talks, Thatcher declared that she "doesn't see any way out of the many conflicts that oppose Great Britain to France and Germany."

There is only one thing that could keep Cossiga in power—the same thing that ultimately knocked Andreotti out of power late last year: terrorism. Signs that the Anglo-American faction will use that option came last week, when Sergio Gori, a vice-president of Montedison, was killed by the Red Brigades. *L'Unita*, the PCI paper, called the killing "not a simple act of terrorism, but a 'mafioso signal....'" Montedison is the Italian industrial group with the strongest commercial ties to the East bloc nations—and a sure backer of a new Andreotti government.

A new Viet invasion?

Chinese mass a

by Richard Katz

China has prepared a million-man strike force—45 main force divisions—for a new invasion of Vietnam, according to Vietnamese intelligence reports relayed to *EIR* through diplomatic sources. China plans a three-prong attack: a new invasion of Vietnam along the same route as last year, a naval-amphibious assault from Hainan Island opposite the Gulf of Tonkin, and an invasion of northern Laos. A U.S. State Department official disingenuously disavowed all knowledge of the Chinese military buildup.

Southeast Asian diplomats confirmed that China was preparing for a new invasion on the assumption that Peking would receive support from the United States, including military if necessary, even if the Soviet Union intervened. The Soviet Union has been sending out signals that it will respond militarily to a new Chinese invasion, unlike last year. Two weeks ago, a Soviet naval flotilla arrived in the South China Sea, near the area from which a Hainan Island based assault would occur. U.N. diplomats report that Soviet representatives informed them that the troops now in Afghanistan can be moved, should China invade Vietnam again.

According to the Vietnamese sources, the new Chinese deployments parallel those just before last year's invasion. U.S. Defense Secretary Brown's visit to Peking parallels Premier Deng Xiaoping's visit to the U.S. last year.

- In December, China held combined land-sea maneuvers off Hainan Island practicing amphibious assaults and similar operations. Prewar military maneuvers took place last time.
- Hainan Island itself has been reinforced, including a Marine division and paratroop units.
- Reinforcements of Chinese forces on the Laos border has stepped up along with Chinese armed forays on the Vietnam-China border.
- Thousands of trucks a day are going into the

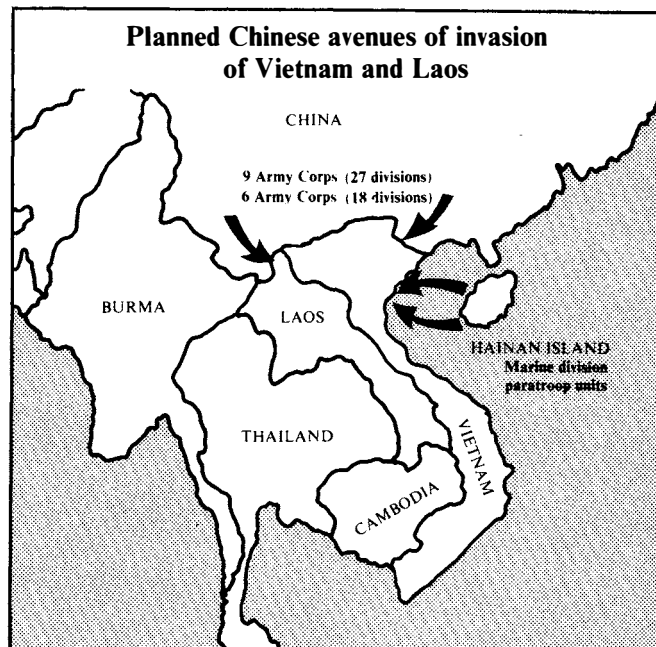
million troops

border area bringing ammunition and supplies.

- There are six army corps just behind them: 45 full divisions. Unlike last year, in which Han Chinese-speaking commanders led poorly trained minority hill tribesmen who often spoke different dialects, these are main force divisions.

These war preparations are being carried out by a Chinese leadership facing an increasingly unstable situation at home and finding itself bereft of reliable allies abroad. China's Premier Deng Xiaoping warned in a recent speech of an "epidemic" of cynicism and despair that is threatening to frustrate his modernization program. The government faces a "fast-spreading virus" that makes it well nigh impossible to mobilize the population. The *People's Daily* reported on one incident in which onlookers jeered at some people attempting to rescue a drowning boy: "Faster, faster—it's your chance to win some glory ... Look, more people want to join the Communist party." The party paper bemoaned the deteriorating social morale which this incident reflected and complained that these attitudes pervaded the young, the trade unions and practically all layers of society. "People have the feeling of 'what's the use' so they have no enthusiasm, no energy."

Among the Association of South East Asian Nations (ASEAN)—Thailand, Singapore, Malaysia, Indonesia, Philippines—China finds only Singapore, a virtual British colony, wholeheartedly supporting its position on Vietnam. Thailand, under direct Chinese pressure, also cautiously endorses the Chinese view. Southeast Asia diplomats report, however, that the other three countries, especially the Indonesians, are very nervous about China's ambitions. The diplomats noted that Malaysia recently sent a mission to Hanoi to maintain a negotiating status with Vietnam while neither Indonesia nor the Philippines even mentioned the U.S.S.R. during their U.N. speeches on the Afghanistan issue. The most important diplomatic defeat for China was the election in



India of Indira Gandhi, who is expected to recognize the Heng Samrin government in Kampuchea (Cambodia) and who blamed the Soviet move into Afghanistan on previous China-U.S. subversion.

Even the United States and Pakistan are hardly reliable military allies for China. Vietnamese leaders worry, however, that it is precisely such domestic and international isolation that might cause China's leaders to pursue an adventurous course. They also fear that China will take any U.S. support as indicating U.S. military backup. For example, during last year's invasion the lack of radios forced Chinese troop commanders to issue orders by bugle call! Harold Brown's decision to grant China advanced communications is thus taken by the Chinese as very important in both substance and symbol.

Last week, the Carter administration issued a much-publicized warning to Vietnam not to cross over into Thailand in its mopping up operations against the remnants of the Pol Pot forces in Cambodia, and not to embroil in the conflict the "refugee camps" inside Thailand which have served as bases to funnel Chinese arms to the Pol Pot forces. The significance of the State Department's action is seen in the issuance of a "scenario" a few months ago by former Under Secretary of State George Ball in which he predicted that Vietnam-Thailand skirmishes would lead to a new Chinese invasion. He also implied that Vietnamese "encroachment of Thailand's security" would justify China's action in a parallel to how the Carter administration used Vietnam's actions in removing Pol Pot to rationalize China's invasion last year. A State Department official pointed out that the administration had given China no warning not to encroach on Vietnam's security.