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SUMMARY

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FAR EAST

1. Quemoy islands area quiet as of 6 September:

[REDACTED] As of 1200 (Washington time) on 6 September, the situation was quiet in the Quemoy islands area.

Intermittent shelling of the islands by Communist artillery to the north and west had continued on 4 and 5 September. Movements of trucks and other vehicles were reported near Communist-held Amoy, but no unusual troop activity had been observed.

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Nationalist aircraft have carried out a number of reconnaissance, bombing and strafing missions. Nationalist naval strength in the Quemoy area has been increased by the arrival of three destroyers, and preparations have been made for possible reinforcement of the Nationalist garrison on the Quemoy. The garrison has doubled the guards in beach positions and has continued to prepare against possible Communist landings. Nationalist artillery has fired on Communist gun positions and has shelled Amoy.

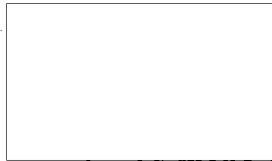
The Nationalist Ministry of National Defense estimates the most favorable period for a Chinese Communist invasion of the Quemoy to be 12 to 22 September. This estimate is based primarily on data concerning tides.

Comment: The Communist bombardment of the Quemoy on 3 September seemed to be aimed at testing American intentions as to defense of the major Nationalist-held offshore islands. An early Communist attempt to invade the Quemoy, in the face of strong American naval and air forces in Formosan waters, now appears doubtful.

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2. Chinese Communist flights over Formosa seem probing operation:



Taipei was blacked out in the early morning of 6 September after radar had picked up an unidentified plane at 18,000 feet shortly past midnight. Two hours later four unidentified planes were reported, and flares were reported near a Taipei airfield.

Comment: The Chinese Communists were presumably attempting in these flights to test the temper of the populace, in the light of Communist threats to "liberate" Formosa. The dropping of flares suggests a photo-reconnaissance mission. The Communists may also have wished to determine whether the Nationalists have any night-fighters available.


The Chinese Communists have the capability of launching day or night air attacks on Formosa. There is an increasing possibility of raids on Formosan bases, particularly those from which the Chinese Nationalists fly air support for their offshore island positions.

WESTERN EUROPE

3. French seek support of German Socialist Party for plan to neutralize Germany:



Since the middle of August, French occupation officials in Germany have reportedly been circulating a document outlining a proposed plan for a future French policy in

Germany, 

This proposal, which is allegedly supported by West German Socialist leader Erich Ollenhauer, includes: (1) a French veto of any German army linked to NATO; (2) opposition to any American effort to raise a defense force in West Germany; and (3) a four-power agreement on all-German elections for a neutralized, lightly armed Germany. The elections would be supervised by UN members other than the United States and the Soviet Union and would be administered by an "electoral government" drawn from the West German and Soviet zone parliaments.

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Comment: This plan closely follows German Socialist thinking, and is apparently based upon the assumption that its main support in Germany would come from the Socialists. It also would have a definite appeal to the French neutralist elements on whose advice Mendes-France has consistently acted.

The proposed four-power agreement implies willingness to engage in four-power discussions without prior Soviet commitments. The USSR could be expected to encourage these proposals as they can be exploited to cause dissension among the Western allies.

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