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GENERAL

1. Blanket restitution of Danubian craft questioned--Acting Political Advisor Heath in Berlin has questioned the advisability of returning all Danubian river craft as directed by JCS, since 55 Hungarian and Yugoslav naval craft are involved. Heath says these vessels can be rearmed easily, may be needed for US patrols, and distinctly fall in the war booty category.
2. Soviets demand ban on USIS radio bulletin in Hungary--According to US Minister Schoenfeld in Budapest, General Sviridov, Soviet Acting Chairman ACC, has demanded that USIS cease distribution of the US Embassy radio bulletins because they contain "libelous" and "untrue" statements concerning the USSR.
3. Effects of Ruhr coal export reductions--Acting US Political Advisor Heath reports that the cut in Ruhr coal exports will necessitate a reduction of 7,000 tons in the requested allotment to Austria, "which she so badly needs." Heath adds that the Austrian Government and AC Austria might "bring pressure" on the Soviets for the importation of brown coal briquettes from the USSR Zone Germany to soften Austrian disappointment.

FAR EAST

4. CHINA: Practical autonomy reported in Sinkiang--US Embassy Nanking reports that according to an American correspondent just returned from five weeks in Sinkiang, the northwest sector of the province is to all intents "completely autonomous." The Chinese Governor lacks support from Nanking in his "honest" attempt to work out arrangements between the Chinese and the Turki. Soviet propaganda urges the Turki to resist Chinese "oppression." Active resistance may soon develop in the southwest, where already "no decision is taken without Soviet consent."
5. SIAM: Government change expected--US Naval Attache Bangkok reports that a major change in Siam's government is expected shortly as a result of the continued high cost of living and the prospective failure of the rice export program.

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