2. IMMINENT WITHDRAWAL OF SOVIET TROOPS FROM HUNGARY REPORTED

The Austrian government has received "serious" reports that the USSR will withdraw its troops from Hungary before the end of this year, and that un-

specified Soviet conditions for such a withdrawal have been accepted by Hungary.

Soviet forces allegedly have begun to crate equipment and make other preparations for departure. A Hungarian official reportedly has stated that the USSR intends to retain only two "military bases" in Hungary.

Comment The conclusion of the Austrian state treaty in May 1955 removed the legal basis for the retention of troops in Hungary and Rumania.

The removal of the approximately 27,000 Soviet troops now stationed in Hungary would support previous indications that the USSR is adopting a policy which would significantly reduce evidence of its control in at least some of the Satellites. Nationally oriented Hungarian Communist elements, who may now wield the dominant influence in the party, are undoubtedly pushing for the removal or reduction of Soviet forces.

Date P SEP 1937

