During a conversation with the Ambassador last evening Stalin volunteered the information that Soviet intelligence reports indicate that the Japanese may be preparing to withdraw from their outer line of defense running through Indonesia. He said that they are now reported to be building a new inner defense line and to be evacuating plants and machinery to Japan and Manchuria. They may suddenly begin to retreat. Stalin said that these statements were based on information at his disposal. He added that it should be checked but that he believed it was accurate.

The Ambassador inquired where the new line would run. Stalin replied that he was not sure of the details, but that he believed it would run roughly through Shanghai, the Shantung peninsula, Manchuria and around the Japanese islands. He stated with conviction that the Japanese would not engage their main forces to defend the outer perimeter of their defenses but would withdraw to inner lines which were more convenient and easier to defend.

The Ambassador stated that he would find out what information we have on this subject and inform Stalin. I accordingly request that I be supplied with any pertinent information or any comment on Stalin's remarks for transmission by the Ambassador to Stalin personally.