21 AUG 1950 HR70-14

61 CONEDENTIAL

KOREA

1. UN forces continue gains in central and east sectors--UN forces are continuing to make gains in the central and east sectors. The enemy bridgehead over the Naktong River in the Changnyong area has been completely eliminated, and enemy attacks in both the south and central sectors have been repulsed. In the north, the enemy appears to be either withdrawing or shifting troops to other positions in the area. On the east coast, UN forces have pressed forward several miles north of the recaptured towns of Kigye and Pohang.

US Ambassador Muccio reports from Taegu that the the city is returning to normalcy after a large portion of the population streamed southward as a result of conflicting orders issued on 18 and 19 August. An estimated 80 percent of those who left the city have returned, and, despite ineffective shelling of the city from extreme ranges, normal activities are being resumed.

In the occupied areas, the North Koreans are attempting to maintain control and security by imposing travel restrictions on the movements of persons over 12 kilometers from their domiciles and by threatening to impose the death penalty against all those who fail to surrender radios capable of receiving short wave broadcasts.

