KOREA

1. UN, enemy forces massing in south--Both UN and North Korean forces are massing in the area east of Chinju for what may be the first major test of the new defense line along the Nakdong river. At other points along the broad central front, UN forces are already under artillery fire from North Korean troops who rushed overnight into the areas vacated by the recent withdrawals of defensive troops. North Korean patrols are already probing the new defense line and some enemy patrols have reportedly infiltrated for reconnaissance.

Considerable North Korean railway traffic was reported, particularly along the east coast where all marshalling yards north of the 38th Parallel were filled with rolling stock. Special efforts are being made by the enemy to use smoke screens in the Chongjin area to cover the marshalling yards and the industrial sections. US naval forces are continuing to provide close fire support to ground forces on the east coast.

US Ambassador Muccio reports that the South Korean Cabinet, with President Rhee's approval, designated a "special war committee of the Cabinet" on 3 August, consisting of the Ministers of Defense, Interior, Transportation, Finance, and Commerce. The Special Committee will meet daily to receive military briefings and to consider non-military measures to support the war effort. The Cabinet also approved in principle the establishment of a military advisory council to assist the Defense Minister.