KOREA

1. **UN forces counterattack in northeast**—UN counterattacks are halting the advances of some North Korean elements in the breakthrough near Yongchon and Kyongju, but other enemy elements pressing forward with considerable armor are threatening to cut the vital transportation network connecting Taegu with the northeast and coastal defense areas. Air activity over the combat area is being resumed after being hampered by unfavorable flying conditions during the past 24 hours and reserve elements of the US 24th Division are being rushed northward to stem this latest enemy threat. Other sectors along the UN defense perimeter are relatively quiet.

   US Embassy reports that on 4 September General Walker ordered the immediate transfer of UN military headquarters from Taegu to Pusan. General Walker will remain in Taegu, however, with a skeleton staff to direct operations. General Walker also advised the South Korean Prime Minister to transfer ROK military headquarters to Pusan. The South Korean Home Ministry will remain in Taegu for the present.