

NAZI DRIVE NEARS MEUSE RIVER

Day's News

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GERMANS WIPE OUT ST. VITH STRONGHOLD

Hitler May Have Set Plans For All-Out Offensive

By JAMES M. LONG

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Supreme headquarters disclosed this information today.

Hitler Plot

Two and possibly three Nazi armies have been flung into the battering counteroffensive, believed at supreme headquarters to have been planned by Hitler himself in an effort to shatter allied forces in the west.

Backed up by infantry, the twin German tank pushes had careened 11 more miles into Belgium since the last previous headquarters report.

Form 35 Mile Bulge

They had pinched off the American stand west of St. Vith—a gutting salient that had split the German offensive prongs—and formed a single bulge 35 miles wide and now 50 miles or more deep.

Punching due west one Nazi tank column neared Celles, only four miles from the Meuse at Dinant, and just eight miles northwest of the French border.

Reach Ciney

Another column lit west and north, reaching Ciney in a 10-mile gain. Ciney lies nine miles (Continued on Page Three)

Palompon Captured; Leyte-Samar Action Brought Near End

By The Associated Press

GENERAL MACARTHUR'S HEADQUARTERS, PHILIPPINES, Dec. 26 (AP)—A Christmas morning surprise for Japan in the form of an amphibious invasion of Palompon harbor brought the bloody, 67-day Leyte-Samar campaign to an end except for mop-up operations, and Gen. Douglas MacArthur today hailed "perhaps the greatest defeat in the military annals of the Japanese army."

The U. S. 77th division, moving up from Ormoc into Palompon, the enemy's last remaining port on Leyte, stormed ashore under covering fire from patrol-torpedo boats and artillery. The Japanese were caught between these troops and others moving overland, and could offer only token resistance.

By nightfall of Christmas Day, Maj. Gen. A. D. Bruce, commander of the 77th division's Christmas contribution to the Leyte campaign is the capture of Palompon, last main Japanese port on Leyte. We are grateful to the Almighty on this birthday of His Son.

The magnitude of this first phase of the Philippines liberation was reflected in MacArthur's announcement that 112,728 Japanese had been killed and 493 captured on Leyte and nearby Samar island, on which there was considerable less opposition.

The Americans lost 2623 killed, 8422 wounded and 172 missing—a total of 11,217.

Japs Annihilated

"The enemy's ground forces participating in the campaign have been practically annihilated," MacArthur declared. Some of Nippon's best troops were committed to the defense of Leyte, which Tokyo considered "the decisive battle for our homeland."

Further, the triumphant communiqué said, 2748 enemy planes were destroyed in the Philippines since the Leyte invasion (Continued on Page Three)

REDS COMPLETE ENCIRCLEMENT OF BUDAPEST

Russian Guns Shell Capital On Danube

LONDON, Dec. 26 (AP)—The red army completed its encirclement of Budapest today with the capture of nine western suburbs of the Hungarian capital, Moscow said tonight.

Eastward, big Hungarian religious center on the Danube river 20 miles northwest of the capital, was one of the places which the broadcast soviet communiqué announced had been seized today.

In this same sweep Marshal Feodor I. Tolbukhin's forces enveloped the last remaining land escape routes for the enemy garrison estimated at 100,000 in Budapest.

MOSCOW, Dec. 26 (AP)—Eight to 10 divisions of Germans and Hungarians were reported trapped in Budapest today—cut off from escape except by air or possibly one road usable only by night—as the red army drove to the western city limits in a 15-mile advance.

The encirclement of the Hungarian capital was completed and front dispatches said soviet guns had begun a systematic shelling of two airports still held by the enemy, while Stornovik and medium bombers flew incessant sorties over the strifedown capital.

Panic Reported

The greatest panic was reported from inside the city in full view of Russian units that yesterday drove to the lofty hills of Budakesi, adjoining the city limits of Buda, western half of the Danube-straddling capital.

The Germans were reported to have grabbed all available automobiles and buses and put them under strict military command, ordering the Hungarian drivers to stand by with blankets and all the warm clothing possible. This led to the speculation that large enemy units might try to make a break for it.

YANK PLANES, SHIPS BLAST JAP ISLE BASE

U. S. PACIFIC FLEET HEADQUARTERS, PEARL HARBOR, Dec. 26 (AP)—From the air and sea, American bombs and shells crashed Sunday (Japanese time) into Iwo Jima as Superfortresses, Liberators and warships combined in an assault on the Japanese island base only 750 miles south of Tokyo.

(Tokyo radio said three of the big, far-ranging B-29s dumped incendiary bombs on Tokyo itself, and on Yokohama and Shizuoka prefecture southwest of the imperial capital. There was no allied confirmation.)

Act Together

The two Jima attacks were the second in which warships and bombers acted in concert to plaster the island, in the Volcano group, from which the Japanese formerly launched raids on Saipan, base of the Tokyo-raiding Superforts. The first joint assault on Iwo was made December 7, and since then there have been no Japanese raids on Saipan.

In his communiqué, Adm. Chester W. Nimitz gave no indication of the size of the task force or of the number of B-29s participating in the sortie. He said the warships bombarded (Continued on Page Three)

1945 Expected to See New Radio Station Start Here

The year 1945 will see the establishment of a new radio station in Klamath Falls, under a license granted to the Herald Publishing company by the federal communications commission. Objection period has passed, with no objections filed, and the company, which also publishes this newspaper, is now completing plans for installing equipment for the station.

It appears it will be at least six months before the station is in operation. Under terms of the FCC license, it will be a 250-watt station, operating on 1450 kilocycles, giving night and day service to the radio listeners of this territory.

The licensee company has recently acquired six lots near Esplanade and Spring streets as a location for part of the broadcasting equipment. Because of building restrictions, studios will probably be established at the start, in the present Herald and News building.

Marshall Pengra, manager of radio KRNR at Roseburg and one of Oregon's best known radio men, will have charge of the new Klamath station. Pengra was active in the preparation of the successful application, and handled the prospective programming that went with the application.

It is expected the new station will have a hookup with one of the nationwide broadcasting systems.

Army to Bring Service Men to Trial For Selling Supplies to Black Market

By GEORGE TUCKER

PARIS, Dec. 26 (AP)—A high-ranking American officer predicted today that many "slimy" deals would be untold in a trial when the army brings another batch of U. S. servicemen accused of selling gasoline, gasoline and other military supplies to the French black market.

"I know of tanks sitting empty without a drop of gasoline while soldiers behind the lines peddled by the gallon," the officer said he discussed thefts and black market activities for which scores of soldiers already have been sentenced to prison terms ranging from one year to life.

Dony Hindrance

His statement indicated that the new light might be shed upon the extent of American soldiers' participation in the black market, though many general officers have denied that the loss of supplies or gasoline—estimated at several hundred thousand gallons a week—has affected the current military situation.

They pointed out that the losses have occurred for the most part many miles behind the battle lines and that fuel supply levels in combat areas are high.

Drivers Ambushed

Nevertheless, details already unfolded have revealed fanatical incidents of army truck drivers being ambushed on lonely roads and relieved of vehicles by roads and relieved of vehicles and cargoes at gunpoint, or of drivers delivering loaded trucks to black market operators at fees reportedly ranging up to \$6000.

Black market operations have been so extensive that the recent said to have caused the supply breakdown of the allied forces by funneling millions of packages into French brothels, restaurants and private homes.

More than 80 per cent of the cigarettes reached the black market by way of the armed forces, it was disclosed.

Market Expands

Developing from operations that had a patriotic basis under German occupation, the French black market expanded in post-invasion days into a gigantic combine of dealers in stolen goods, counterfeiters, white slavers and speculators. It reached staggering proportions and American soldiers were drawn into its operations.

Since D-Day, its chief source of supply has been the army, from which it has drained gasoline, soap, food, cigarettes and post exchange items.

French Arrested

For every American arrested for blackmarketing, 10 French civilians have been taken into custody, charged chiefly with having American equipment in their possession and selling it illegally. However, 95 per cent of this was delivered to their hands by Americans.

French military and civilian governments have stepped up their efforts to combat the situation.

A total of 184 American officers and men are awaiting hearings at the new series of trials scheduled to open the first week in February. All are members of two special battalions operating French railroads.

Dramatic Moment At Trial



While Attorney Charles W. Millikan watches her, Joan Berry (top) identifies at Los Angeles two letters she wrote from a Tulsa, Okla., hotel to Charlie Chaplin who she contends fathered her baby. A moment after (below) she bursts into tears before rushing from the witness stand to the arms of her attorney. (AP wirephoto).

Tighter Food Rationing Program Now Effective

WASHINGTON, Dec. 26 (AP)—A tighter and broader food rationing program became effective today.

Canned vegetables returned to the ration list and butter and sugar came under new restrictions.

Salient aspects of the new program:

Butter is raised from 20 to 24 points a pound.

All red and blue stamps which became good before December 1 are cancelled.

Require Points

Canned peas, corn, green and wax beans, asparagus and spinach require points.

All sugar stamps and home canning certificates except sugar stamp No. 34 are cancelled.

About 85 per cent of all meats will require ration points, beginning Sunday.

Ample Food

In announcing the stricter rationing rules, OPA assured consumers that ample food is available for all. The action was taken, the agency said, because of declining meat supplies and low stocks of butter and canned fruits and vegetables.

The weekend move echoed indirectly on Capitol Hill with an announcement by Representative Jenkins (R-Ohio) that he would reconstitute the republican food study committee named last year. Jenkins at the same time termed the present food situation a result of administration failure to appoint a single food " czar " with authority over prices and distribution. He did not refer specifically to the OPA action but recalled in an interview that his study group several months ago had recommended one-man authority over food.

MRS. E. I. ACKLEY TAKEN BY DEATH

Death claimed another prominent Klamath Falls resident with the passing Christmas morning of Mrs. Edna Inez Ackley, 65, who died in San Francisco at the Christian Science sanitarium following a lengthy illness.

Mrs. Ackley was born in Jackson county in May, 1879, daughter of pioneer residents. She came to Klamath Falls in 1905, and was active in the teaching field here, serving for a time as county school superintendent.

Mrs. Ackley was a graduate of the old Southern Oregon normal school at Ashland. She was married to Harry M. Ackley, well-known mill operator, who died April 2, 1943. Since his death, Mrs. Ackley has been in San Francisco.

For many years, Mrs. Ackley kept up an active interest in education, although she had retired from the teaching field. She conducted classes in Americanization for those seeking citizenship papers. Mrs. Ackley was interested in Eulalona chapter, Daughters of the American Revolution.

Final services will be held from the Earl Whitlock chapel. (Continued on Page Three)

Car Plunges Down 100-Foot Bank

Two persons narrowly escaped serious injury when their car went off the Ashland highway between the River View auto court and the viewpoint, and plunged 100 feet down a bank late Sunday night.

A charge of being drunk on a public highway was filed in justice court against Cpl. Alfred Dennis, 31, Marine Barracks, alleged driver of the car. Cpl. Dennis suffered minor hurts and his wife, Ruby Lee, 32, escaped with bruises and slight cuts on the leg. The two crawled up the embankment to the highway after their car overturned several times as it left the road. State police turned Dennis over to marine authorities.

New York Butcher Shops Close

NEW YORK, Dec. 26 (AP)—Approximately 34 per cent of Manhattan's butcher shops were closed today, police reported, in protest against OPA price regulations.

A police survey showed 506 out of 1448 markets in the borough shuttered. Spot checks in the Bronx disclosed one out of every five shops closed.

The retail meat dealers had threatened a mass "business holiday," predicting 10,000 shops would close.

BRITON SEEKS TO END CIVIL WAR IN GREECE

Churchill Arrives In Athens to End Strife

By STEPHEN BARBER

ATHENS, Dec. 26 (AP)—Prime Minister Churchill sought to end the bloody Greek civil war today as a British patrol reported discovering a ton of dynamite under street car lines opposite the main doors of the Hotel Grand Bretagne.

Officials of the Greek government and Lt. Gen. Ronald Scobie live at the hotel.

(The dispatch from Athens did not say whether Churchill was staying at the hotel.)

The dynamite, which the patrol said was in boxes bearing German markings, apparently was laid during the night as the area had been carefully searched yesterday evening.

Churchill arrived here yesterday accompanied by British Foreign Secretary Anthony Eden as the ancient capital echoed to the sound of street fighting between leaving ELAS partisans and Greek government forces supported by British troops.

Immediate Action

The prime minister went into action immediately, communicating with Field Marshal Sir Harold Alexander, allied Mediterranean commander, Harold MacMillan, British resident minister for the central Mediterranean, and Greek Premier George Papandreu.

Shortly thereafter British headquarters announced plans to convene at 4 p. m. (7 a. m. PWT) today a conference "representative so far as possible of Greek political opinion" with the object of "ending fratricidal strife and enabling Greece to resume her place among the United Nations."

January 4 Set For Hearing in Heuvel Case

January 4 at 10:30 a. m. is the time agreed upon for the preliminary hearing in the case of the state versus Earl Heuvel, Klamath Falls police chief charged with contributing to the delinquency of a minor. The hearing will be held in Justice of the Peace Joseph Mahoney's court, and will close with a decision by Mahoney whether Heuvel will be bound over to the county grand jury.

At tonight's city council meeting, Chief Heuvel's status with the department will be the subject of a recommendation from the police committee, according to J. J. Keller, chairman of the committee. It was understood the committee would meet this afternoon to draw up its recommendation.

Chief Heuvel is free on \$1000 cash bond.

U. S. to Continue Russo Lend-Lease

WASHINGTON, Dec. 26 (AP) Secretary of State Stettinius said today that the United States is going to sign a new lend-lease protocol with Russia.

Stettinius said that he is working on the pact now and working on it hard.

25 Nazi Prisoners Escape From Camp Through Tunnel

PHOENIX, Ariz., Dec. 26 (AP)—A 200-foot tunnel bored through rock was the means through which 25 German naval officers and men escaped from the Papago Park prisoner of war camp, Col. William A. Holden, camp commander, said today.

It was a very clever job and took considerable time to build," Holden said following further investigation of the wholesale delivery. "The camp is built on rock."

12 Officers

The army officer said that 12 of those gaining their freedom were officers and the remaining enlisted personnel.

Search for the fugitives was diverted toward the Mexican border today with civil air patrol planes taking the air to aid in the hunt.

In previous cases involving escaped prisoners of war they have usually headed for Mexico.

Colonel Holden said the 25 escaped during the weekend after a brief demonstration "ostensibly a combination celebration of Von Rundstedt's success and Christmas."

Six Recaptured

Only six of the escapees, all submarine officers and men, have been apprehended. The ranking member of the group is Lt. Col. Jurgen Wattenburg, 43. Many of those at large speak several languages.

The escape served to make public a war rumor long current in Phoenix that Guenther Prien, Germany's famed U-boat commander, was prisoner here.

Prien, decorated by Hitler for sinking the British battleship Royal Ark at Scapa Flow in 1939, did not escape, said Maj. Eugene Tays, in answering newspaper inquiry.

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HOLIDAY WEEKEND CLAIMS 366 LIVES

By The Associated Press

Accidents and violence over the three-day Christmas holiday weekend cost the nation at least 366 lives, considerably more than last year.

An Associated Press survey showed today that traffic fatalities ran but slightly higher, but there were many more deaths by fire and from miscellaneous violence than in 1943.

Road Claims Most

Accidents on the highways, as predicted by safety experts, claimed the most lives. The survey showed 220 persons were (Continued on Page Three)

Richard Heiber Dies in Action

MALIN—Richard Heiber, 20, former Malin resident and brother of Mrs. Louie Lyon, Malin, has been killed in action, according to word received here this week. His mother, Mrs. Mary Heiber of Red Bluff, was officially notified by the war department, but no date of his death was given in the notification.

Young Heiber enlisted in the navy from Klamath Falls in February, 1944, taking his basic training at Camp Farragut, Ida. A few weeks later he was assigned to a carrier, serving as a fireman, second class. He was fatally wounded in a battle in the South Pacific.

He came to Malin in 1942, attending high school here, and prior to his enlistment was employed by Louie Lyon.

In addition to his mother and his sister here, he is survived by two sisters, Mrs. Leon Sloan, Longview, Wash., and Myrna Heiber, Chico; four brothers, Clinton, with the U. S. army in New Guinea; Kenneth, in training with the army air corps in Mississippi; Russell, of Chico, and Duane of Red Bluff.



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