GI'S DEAL SETBACK TO NAZIS

By FRANK JENKINS
ABOUT the only good news
A from Belgium today is that
the weather still permits air
selvity on a large scale. Our
planes are working on German
transport, and the number of
seemy vehicles reported destroyed is impressively large.
Pray for more good weather.

THE Germans have joined THE Germans have joined their two wedges into one, but by desperate fighting on the flanks we seem to be stopping them so far from effectively widening the base (thus preventing them from getting as much greath into the wedge as they'd nex to.)

ight to.)

Our surrounded troops at Baslogae (at the southern edge of
the wedge's base) are still fighting stubbornly, with the nearest
reinforcements four or five miles
away. We are dropping supplies
and annumition to them from
the air.

AP Correspondent Wes Gallagher, cabling from the front, says there are "growing indications that the German high emmand has decided to risk the

command has decided to risk the heart of the German army in the western front battle."

He adds:

"The next few days should sell the story, with strong prospects for the greatest battle of the second world war in the office."

GALLAGHER thinks Von Rundstedt still has substant-lal reserves-MORE than we shought possible a few months

He says:

"If he commits them (his reserves) either in the breakthrough or in a new attempt FARTHER NORTH, the struggle as the western front will have a life or death aspect. It will train every allied resource."

He concludes:

"But if Von Rundstedt fails, the German army will be in excelly the same crippled condition it was after the abortive Paris offensive of 1918."

THERE are hopeful statements That the Germans have been slowed down, but there is every indication that the peak of the battle is not yet here.

BE sure to read John M. High-lower's Washington dispatch today. You will find it interest-

today. You will find it interesting.
Official Washington he indicates, is now in the stage of finding fault. There is much talk, he says, of OVER-OPTIMISM in the allied command. There is particular criticism of allied mtelligence (spy service, etc.)—which is said to have thought land reported) that the German armies in France were practically destroyed. Intelligence is accused of being badly wrong in its reports of the strength of German reserves.

German reserves.

The idea is that inaccurate information thus provided for our leaders threw them off in their

leaders threw them off in their calculations.

WELL, there must always be a scapegoat.

But EVERY intelligently realistic observer has been struck by the complacency and the routine optimism of our centered and officially slanted war fews. From the BEGINNING, is tone has been: The marines have landed and the situation is well in hand."

It is little wonder that the home fronters, who know only what they are PERMITTED to know, became complacent. The bad news has been uniformly

(Continued on Page Three)

Nazi Counterblow Causes Reverses In Italian Area

ROME, Dec. 27 (P)—A strong Germ an counterattack near laly's west coast has forced fifth army forces to withdraw tom advance positions in the Serch io river valley, allied headquarters announced today. The enemy thrusts came cast and west of the road town of Gallicano, some 14 miles inland from the Tyrhennian coast, after artillery preparation.

The German communique ald nazi and fascist Italian Toops, in a surprise attack in the Gallicano area, "broke through American positions and brew back a formation of the 12nd American infantry division,"

The Desaller overallineary Chaples (Chaplin Blood)

Chaplin Blood

The Reseller overallineary Chapter (Chaplin Blood)

Kerald and News

KLAMATH FALLS, OREGON, WEDNESDAY, DECEMBER 27, 1944

Weather News

Max. (Bec. 25) December 27, 1944
Max. (Bec. 25) Min.
Precipitation tast 24 hours
Stream year to date
Normal
Forecast: Snow (Burries
Porecast: Snow (Burries
Oregon: Open 7,50
Close
Tulciake Open 5,64
Close

Yanks Killed In New Break-through

Number 10348

REDS BATTLE INTO CAPITAL OF HUNGARY

Nazis Burn Military Stores, Fight

Grimly

LONDON. Dec. 27 (A*) —
German and Hungarian forces encircled in and around Budapest were split in two today by Russian troops that hurdled the eastern branch of the Danube nine miles north of Budapest, captured Szentendrei island, and got in touch with other Russian forces on the west bank.

west bank.
Announcing this smashing Announcing this smashing success, a communique broadcast from Moscow said onehalf of the enemy garrison thus had been driven into the mountainous and forested terrain in the Danube bend north of Budapest while the other was caught in a constricting vise in the city itself.

By DANIEL de LUCE MOSCOW, Dec. 27 (P)—Red army shock troops charged upon flame-seared Budapest from name-seared Budapest from snowy hills above the Danube river today. The German garrison burned military stores, dynamited public utilities and fought back grimly with field artillery scattered throughout the Hungarian capital.

Half a dozen soviet spear-heads were reported closing in on the western half of the en-cicled city and all German roads of escape were cut off. Just how-many nazi troops comprise the defending garrison is not known here, but the Russian command said their numbers were large.

Slash Into Buda Soviet assault units of tanks plus tommy-gunners, were be-lieved to have slashed some dis-(Continued on Page Three)

JAPS TRANSFERRED

recent congressional legislation.

The cases of other residents of the Tulelake center who are designated by the war department as ineligible for relocation will be reviewed by the war department and the department of justice. Those whose ineligibility is continued will be segregated in a center or centers that will ultimately be administered by the department of justice.

Applications to the Spanish

the department of justice.

Applications to the Spanish embassy for repatriation or expatriation or any other action which was formerly considered in suspending leave clearance by the war relocation authority, will no longer be a basis for detention in a WRA center, Best stated. Only those persons designated by the war department or the department of justice will be detained.

The general movement of

Sizeable B-29 Force Ranges Over Capital

By VERN HAUGLAND

21ST BOMBER COMMAND, SAIPAN, Dec. 27 (P)—Tokyo, bombed in force four times previously by Superfortresses and many times hit by harrassing planes alone or in small groups, was pounded again this afternoon (Wednesday Japan time) by a sizeable force of B-29s.

The first of the raiders struck during the noon rush—a couple of hours earlier than the Japanese capital has come to expect bombings—and reported good visibility for their targets in the great industrial area.

The early elements reported "zero clouds" and good bombing. This was the first Superfortress visit to Tokyo since December 3. Since then, however, they have raided Nagoya, great Japanese aircraft center, and have twice bombed Iwo Jima, the small island half way between here and Tokyo from which

SHOPS CLOSED

done by the raiders).

Tokyo radio also said the giant planes "dropped explosives and incendiaries at random, causing insignificant damage." The broadcast, recorded by the federal communications commission, was unreadable in commission, was unrea

A police count of 6088 retail meat stores listed 2142 shops shuttered. Yesterday, 2135 out of 6020 stores checked were closed. The survey also reported that the shutdown had thrown 2390 employes out of work.

Regging Supplies. A Japanese imperial communique said about 50 Superforts were in the attacking force and claimed nine were definitely shot down, five probably and 27 others damaged.

employes out of work.

Raccive Supplies

Most of the stores open were reported to have received some supplies. Results of the police survey were substantiated by the department of markets which made an independent tabulation.

Butchers began the shutdown Christmas Day in protest against lack of ceiling prices on livestock. The imperial communique said two of the Superiorts were knocked down by suicide Nipponese pilots wno crash-dived the big bombers. The high command admitted the loss of four

made an independent tabulation. Butchers began the shutdown christmas Day in protest against lack of ceiling prices on livestock. Meanwhile several efforts were made to alleviate the meatless predicament of New York's millions. They included: 1—An OPA report from Washington that John J. Madigan, assistant director of food prices, was expected to announce ceiling schedules for livestock in Chicago today. 2—Mayor F. H. LaGuardia announced in a broadcast last night that a "federal decision" was expected before January 2 on the conditions which brought about the meat crisis here. To Ask Ceiling To Ask Ceiling To Ask Ceiling as price ceiling on live cattle. Other developments in the (Continued on Page Three) Status of the chief was the focal point of last night's session

PLANES BLAST NIP AIRFIELDS ON LUZON ISLE

Island Vulnerable to Reinvasion by Doughboys

GENERAL MacARTHUR'S HEADQUARTERS, Philippines, Dec. 27 (P)—Land-based American bombers for the fourth consecutive day blasted Japan's airfields at Manila on Luzon island, Japanese aircraft center, and have twice bombed Iwo Jima, the small island half way between here and Tokyo from which tacking Saipan.

Japanese planes have been attacking Saipan.

Today's raid came just one month after the second B-29 bombing of Tokyo, November 27.

Clark field was the principal target as it was in two of the

bombing of Tokyo, November 27.

(A Tokyo broadcast, heard in San Francisco by NBC, said pedestrians in downtown Tokyo witnessed one of the B-29s plunge in smoke and flames into Tokyo bay in today's raid. There was no other mention of American losses nor of damage done by the raiders).

Tokyo radio also said the giant planes "dropped explosives and incendiaries at random, causing insignificant damage." The broadcast, recorded by the federal communications commission, was unreadable in places but apparently the enemy claimed that some interceptors "chalked up" victories against the Superfortesses.

A Japanese imperial communique said about 50 Superforts

\$188,000 ALLOTTED FOR HOMOJA HUTS

The navy department in Washington today allotted \$188,000 for Homoja huts to house transient naval personnel during assignment at the Klamath naval air station.

Huts to accommodate 62 families will be constructed on a site at the northwest corner of the big local installation, according to Lt. J. M. Babcock, naval officer in charge of construction here.

Two Apartments
Each hut is 20 by 56 feet in dimensions and contains two apartments. Each apartment contains two bedrooms, a living room, kitchen and bath. Connections will be made with the (Continued on Page Three)

Two American soldiers lie dead on the ground somewhere in Belgium, killed in the new German break-through. Photo is one from a roll of film captured from a German soldier and shows equipment removed from Yanks, as well as shoes from man in foreground. (AP wirephoto from signal corps radiophoto).

Rate Bureau Suggested to Settle Freight Problems

Davis reported that his com-mittee had collected a large volume of material including sev-eral survey reports from the state public utilities commission-

YANK SUBS BAG NIP

WASHINGTON, Dec. 27 (P)
Destruction of a large Japanese
aircraft carrier, six additional
enemy warships and 20 other
Nipponese vessels by American
submarines was reported by the

a price ceiling on live cattle. Other developments in the (Continued on Page Three)

Iwo Jima Pounded

By Ships, Planes

U. S. PACIFIC FLEET HEAD, Dec. 27 (P)—American warships and planes bombarded live Jima in the Volcano islands December 29, in the third air-navy attack on that enemy base, Adm. Chester W. Nimitz reported to day.

The warships and Liberata.

The warships and Liberata.

The warships and Liberata.

The warships and Liberata.

Council in session Tuesday night, and his offer of voluntary suspension Tuesday night, and his offer of voluntary suspension disragarded in a recommittee.

Status of the chief was the focal point of last night's session was accepted unanimously and the police committee's stand was accepted unanimously and the focal point of last night's session was accepted unanimously and the police committee's stand was accepted unanimously and the focal point of last night's session was accepted unanimously and the focal point of last night's session was accepted unanimously and the police committee's stand was accepted unanimously and the focal point of last night's session was accepted unanimously and the police committee's stand was accepted unanimously and the focal point of last night's session was accepted unanimously and the focal point of last night's session was accepted unanimously and the focal point of last night's session was accepted unanimously and the focal point of last night's session was accepted unanimously and the focal point of last night's session to prove the focal point of last night's session was accepted unanimously and the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the focal point of last night's session to prove the foca ask the new congress to compa a price ceiling on live cattle.
Other development in the Continued on Page Three)

Iwo Jima Pounded

By Ships, Planes

U.S. PACIFIC FLEET HEAD

QUARTERS, PEARL HARBOR, Dec. 27 (A?)—American warsipis and pianes bombarded live Jima in the Volcano islands December 28, in the third air-navy attack on that enemy base, Adm.
The warsipis and Liberator bombers which participated in the attack blasted coastal defenses and airstrip installations.

Strategists Add Three to Six Months to European

Strategists Add Three to Six Months to European

War Bulletins

| Agency | Follow | F

Establishment of a rate bureau was suggested as necessary to the permanent solution of Klamath basin freight rate problems in a report to chamber of commerce directors Wednesday noon by George P. Davis, chairman of the rates and transportation committee of the chamber.

Davis reported that his com-

pointed out.

Public Subscription

He suggested that the rate question is of such vital financial interest to the entire community that probably a considerable sum could be raised by private subscription toward the establishment of a Klamath basin rate bureau. Part of the money, however, would probably have to come from some general source.

In the discussion that followed

In the discussion that followed, the matter of a public budget allowance to help defray the expenses of a rate bureau was sug-(Continued on Page Three)

Elas Terms Not Acceptable to **Populist Party**

Battle: Overoptimism Blamed for German Successes

What is a proper and the proper of t

YANKS REGAIN IN FIGHTING

Berlin Admits Allied Counterblows More Methodical

By JAMES M. LONG
PARIS, Dec. 27 (P)—U. S.
troops and tanks, regaining the
initiative, have driven a deep
salient into German lines within the last 24 hours and dealt
the German offensive its first
serious setback, a front dispatch
declared today.

LONDON, Dec. 27 (P)—A
Berlin broadcast tonight said
the nazi offensive into Belgium was becoming "more
and more a battle of attrition," and that "allied counterattacks already are more
methodic."
These assaults, the radio

methodic."

These assaults, the radio said, are "clearly directed at exerting pressure on the German wedge from both sides and make it collapse."

"It remains to be seen whether the very bitter fighting is approaching a quick climax, or gliding into an intermediate phase."

The German high command declared a major tank battle had broken out yesterday north of Laroche, and that 70 tanks of the U. S. third and seventh armored divisions were knocked out.

The German offensive — believed to be powered with some
250,000 troops—had sent light
armored combat teams to Celles
and Ciney in a bid to reach the
Meuse. The doughboys in a
Christmas Day battle rolled them
back one to two miles, supreme
headquarters disclosed.

A dispatch from the field today declared U. S. armor and
infantry, "slowly regaining the
initiative, have locked in a series of sharp battles with probing
(Continued on Page Three)

KLAMATH COUNTY TOPS LOAN QUOTA

Klamath county's 6th War Loan drive had passed its quota today in all departments.

E bond sales to December 23 were reported by the federal reserve at a total of \$913,008, against a quota of \$900,000. The total of all sales was \$3,385,130, as compared with a quota of \$3,100,000.

Myrle C. Adams, chairman of the Lions committee which sponsored the drive, urged Klamath citizens to continue buying bonds, with all purchases up to the end of December counting on quota. The excess over quota is expected to reach at least half a million dollars.

Here is the sales break-down to date:

E bonds—\$913,008.

Series F—\$189,900.

Series G—\$189,900.

Series C—\$1,225,375.

7/8 per cent certificates—\$394,550.

11 per cent notes—\$75,000.

2 per cent bonds—\$381,000.

14 per cent notes—\$75,000. 2 per cent bonds—\$361,000. 21 per cent bonds—\$148,000

Mayor-elect Ed Ostendorf has not yet selected his appointee as chief of police to succeed Chief Earl Heuvel, it was disclosed to-

Earl Heuvel, it was disclosed to-day.

Ostendorf stated that if defi-nite appointment is not made by Tuesday, January 2, next regu-lar meeting of the council, that whoever is in charge of the de-partment at that time will serve as acting chief. Mayor John Houston requested at Tuesday night's council meeting that Or-ville Hamilton serve as acting chief for the remainder of the year.

chief for the remainder of the year.

It was learned that Henry Perkins, prominent Klamath Falls lawyer, has accepted the post as city attorney on the request of Mayor-elect Ostendorf. His appointment is expected to be confirmed by the new council which takes over next week.

Battle: Overoptimism Blamed for German Successes