

8-10 Nazi Divisions Trapped in Budapest Encirclement Nearly Complete

By EDDY GILMORE
MOSCOW (AP)—Eight to ten divisions of German and Hungarian troops were reported trapped in Budapest today—cut off from escape except by air or possibly one road used only by night—as the Red Army drove to the western city limits in a fifteen-mile advance.

The encirclement of the Hungarian capital was virtually complete and front detachments said Soviet guns had begun a systematic shelling of two airports still held by the enemy, while Stormovka and medium bombers flew incessant sorties over the strife-torn capital.

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

The Germans were reported to have grabbed the last available automobiles and buses and were under strict military command in driving to the hills. The speculation that large enemy units might try to make a break for it.

The last narrow escape corridor that appeared still open to them on the basis of yesterday's dispatches extended fifteen miles northwest from the capital to Esztergom on the southern bank of the big Danube bend.

The ring around the capital was completed in all other directions in advance ranging from less than two miles in the west to about nine miles in the east.

Another Drive
Today's communiqué also disclosed a continuing Red Army surge westward in Southern Czechoslovakia along the Hron (Garona) River in the vicinity of Levice in drive along the routes to Vienna and Bratislava, now less than 25 miles and 50 miles distant, respectively.

Major Motive For Drive Boosting Nazi Home Front Morale Von Rundstedt's Greatest Victory

Curt Riess, noted author and analyst, is on an assignment in Europe as international correspondent for NEA and The Charlotte News. Author of such best-sellers as "The Nazis Go Underground" and "Total Eclipse" Riess is recognized as an authority on German internal affairs.

By CURT RIESS
Copyright 1944 by NEA Service, Inc. LONDON—Whenever and wherever von Rundstedt is stopped, Germany has achieved a major victory. In this correspondent's opinion.

The military success may be debatable. The infinitely more important success is on the German home front.

Without the von Rundstedt all-out attack, German morale might have broken down during these very Christmas days.

How long will this stand in the anti-positivist's eyes? According to neutral eye-witness reports and intelligence coming from Germany, the excitement and joy about "the Christmas offensive" is enormous.

Newspapers are sold out in minutes. People roam the streets, embrace each other and weep for joy.

There are countless rumors. The most important concerning the role of Hitler in the offensive. Nazi propaganda plays up this role. Their radio says: "We have asked: 'Where is the Führer?' Now we know. He prepared this campaign."

There are rumors about other offensives to start soon, and about new V weapons. Germany's German victory and the end of the war are around the corner.

This spontaneous and somewhat exaggerated response shows how much the Germans need something to give them new hope. The way Goebbels plays and overplays the importance of the offensive shows that he too knows. If you read and listen to Goebbels' propaganda as I did for several days, you almost get the impression that the attack was mainly for reasons German.

For weeks Goebbels has dreamed of the approaching Christmas. This holiday is celebrated in Germany more sentimentally than in other countries. The people reflect on memories and compare the past and present.

During World War I masses of Germans got additional rations.

disclosure comes from the Prime Minister of Norway, Johan Nygaardsvold. The Norwegian leader called upon his countrymen to come home to hammer the Germans in any way possible.

Greco
British authorities have been unable to establish any connection between discovery of a ton of dynamite in Athens and the home to hammer the Germans in any way possible.

The Prime Minister went into action immediately, communicating with Field Marshal Sir Harold Alexander, Allied Mediterranean Commander. He called MacMillan, British Resident Minister for the Central Mediterranean, and Greek Premier George Papandriou.

Shortly thereafter British Headquarters announced plans to evacuate 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."

Yanks Storm Japs' Last Leyte Port Only Mopping Up Left To Be Done

By ASSOCIATED PRESS
GENERAL MACARTHUR'S HEADQUARTERS, Philippines—A Christmas morning surprise for the Japanese in the form of an amphibious invasion of Palompon Harbor brought the bloody, 67-day Leyte-Samar campaign to an end except for mopping-up operations and Gen. Douglas MacArthur today hailed "perhaps the greatest defeat in the military annals of the Japanese Army."

The U. S. 7th Division, moving up from Ormoc into Palompon, the 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 7th, messaged headquarters:

"The 7th Infantry Division 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 Philippine liberation was reflected in MacArthur's announcement that 112,726 Japanese had been killed and 493 captured in the capture of Palompon and surrounding areas and nearby Samar Island, on which there was considerable Japanese opposition.

The U. S. Army lost 2,623 killed, 8,422 wounded and 172 missing—a total of 11,217.

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 they considered 'the decisive battle for our homeland.'"

Price Protest
Gotham Meat Shops Closed In OPA Feud
NEW YORK (AP)—Approximately 34 per cent of Manhattan's butcher shops were closed today, police reported in effect against OPA price regulations.

A police survey showed 508 out of 1,476 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 shutdown, predicting 10,000 shops would close.

The police report found that a majority of the markets which were open had little or no meat for sale.

Many small retailers had only left-overs from Christmas on the counters while larger markets, selling both retail and wholesale, were meatless.

Mayor F. H. La Guardia said that meat supplies were scarce. He did not estimate the scope of the threatened mass closings.

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Churchill In Athens

By STEPHEN BARBER
ATHENS (AP)—Prime Minister Churchill caught up the bloody German Civil War today as a British patrol reported discovering a ton of dynamite under street cables opposite the main doors of the Hotel Grande Bretagne.

Officials of the Greek Government and Lt. Gen. Ronald Scobie lie 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 in the sound of street fighting between Left Wing ELAS Partisans and Greek Government forces supported by British troops.

GOES INTO ACTION
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Jap Base Struck From Sea & Air

U. S. PACIFIC FLEET HEADQUARTERS, Pearl Harbor (AP)—From the air and sea, American bombs and shells crashed Sunday (Japanese time) into two Jima air support fortresses. Liberators and warships combined in an assault on the Nipponese island base only 750 miles south of Tokyo.

Tokyo radio said three of the big, fat-ringing B-29s damped in the vicinity of the island, one on Yokohama and Shikoku prefecture southwest of the imperial capital. There was no Allied confirmation.

The two Jima warships and bombers acted in concert to plaster the island in the Volcano. The first joint assault on two was made Dec. 7, and since then there have been no Japanese raids on Salipan.

British Fleet Ready To Serve With U. S. Navy
BRISBANE, Australia (AP)—Admiral Sir Bruce Fraser, commander of the British Eastern fleet upon his return from a conference with U. S. Fleet Adm. Chester W. Nimitz Jr. said there will be no difficulty about ammunition and supplies in co-ordinating the British Pacific Fleet with the American Navy in the Pacific.

U.S. Airmen Aid Troops

LONDON (AP)—In strong support of American troops battling the German offensive in the Ardennes, U. S. Army and Navy aircraft today bombed and strafed German supply lines and rail lines between Coblenz and Bonn.

The communiqué said 100 Liberator assaults were designed to hamper the German offensive. American forces but to knock the Luftwaffe out of the skies and prevent the Germans from receiving supplies and reinforcements.

Up to 500 Mustangs and Liberator bombers and fighters were used in the attacks. The Luftwaffe was reported to have shot down several Mustangs and Liberator bombers and fighters.

Stake-All Venture
Nazi Attack Caught Allies In Thin Spot
By EDWARD KENNEDY
PARIS (AP)—At least two German armies have been thrown into the slow-moving German offensive—believed at Supreme Headquarters to be planned by Hitler himself.

The best information available here in London is that the German armor raced at first through the snow-piled Ardennes country toward the Meuse virtually unchecked.

While the onslaught has been slowed there is no indication of a general halt. It has been brought to a full stop or that it might not even reach the Meuse on a limited scale. After that it remains to be seen as to what von Rundstedt will try to improvise.