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(Information as of 1213 hrs 18 Dec 44)

The German High Command has issued a statement claiming that the German counter attack has overrun forward American positions in the MONSCHAU area. The enemy counter attack spear-headed by large numbers of tanks and dive bombers has penetrated about four miles into BELGIUM, EAST of MALMADY. Farther SOUTH the Germans have made two small penetrations into LUXEMBOURG. Allied commanders have expressed the view that this is Germany's supreme effort to turn the tide of battle. The Nazis apparently hope to stall the Allied winter offensive and to keep the Americans from driving deeper into Germany until next spring. Farther SOUTH American Third Army forces have made small gains at DILINGEN and SAARLAUTERN while Seventh Army troops are fighting in the SIEGFRIED line defences WEST of KARLERUHE.

Allied Air forces were out in strength last night and to-day and have heavily bombed rail communications at ULM, MUNICH, HANNAU, DUISBURG and MUNSTER. One hundred and eight enemy planes were shot down yesterday for a loss of thirty-three Allied planes.

Soviet forces have made further gains northeast of BUDAPEST and front line correspondente say that the German defenses on the Czeeheslovakian border are showing signs of cracking. Russian artillery is shelling the heart of BUDAPEST while Red Army troops are fighting in the suburb of BUDA.

The city of FAENZA has been cleared of the enemy and New Zealand troops have cut the main railway six miles northwest of the town. Canadian troops have captured more than eleven hundred prienners during the last two weeks.

GREECE British troops are making progress in clearing ATHENS and have almost cleared the main road from ATHENS to the port of PIRKEUS. The tempo of the fighting increased during the week end after the British military commander had rejected peace proposals tendered by the Greek Left Wing units.

PHILIPPINES

American troops on MINDORO are meeting little opposition and have advanced eleven miles beyond SAN JOSE. The two airfields on the island are now being repaired by the Americans.

On LEYTE US troops have advanced down the ORMOC corridor and have captured large enemy supply dumps of tanks and ammunition.

US Super Fortresses have struck two heavy blows at vital Japanese targets. One formation bombed HANKOW and its vital railyards while the other struck at the aircraft production centre of MAGOYA in the Jap homeland. American planes were over NAGOYA for about two hours.

BURMA

The scattered fronts in northern BURMA have now been linked up into a single line. Units of the Scots Fusiliers linked up with other Fourteenth Army troops just TEST of the MYITKYINA - MANDALAY raiway freeing an area containing some two thousand inhabited locatities.

(B.B.C. and Press Releases)

OTTAWA, Ontario.

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