Weather Forecast for Kentucky: Rain Tuesday; Wednesday rain or snow and colder.

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BANK OF ENGLAND NAMED AGENT U.S. FEDERAL RESERVE

Appointment Establishes Great Britain and America in Continual Financial Relations

OTHER BRANCHES MAY PARTAKE OF BENEFITS

Connection With London House Foreshadows Other Foreign Relations

WASHINGTON, Dec. 25.—The government today took its first formal step through the Federal Reserve board looking to the establishment of a financial connection abroad through which it hopes to strengthen the position of the United States as a world banker and to maintain the American banker as the standard of exchange.

Under a section of the Federal Reserve act the board authorized the appointment of the Bank of England as a foreign correspondent of the Federal Reserve Bank of New York and announced that the eleven other reserve banks might participate in the agency relations.

Connections with other foreign governmental institutions such as the Bank of France, is foreshadowed, officials say, by today's action. The Bank of England is the first foreign correspondent whose appointment has been authorized since the operation of the new financial system in this country.

Board Fixes Privileges.

In its statement announcing the action the board said:

"The Federal Reserve Board has authorized the Federal Reserve Bank of New York to appoint as one of its foreign correspondents and agents the Bank of England, of London, England, under the terms of the Federal Reserve Act.

"Section 14 of the act permits any Federal Reserve bank with the consent of the Federal Reserve Board to open and maintain banking accounts in foreign countries, appoint correspondents and establish agencies in such countries wherever it may deem best for the purpose of purchasing, selling and collecting bills of exchange, and to buy and sell with or without its endorsement through correspondents or agencies, bills arising out of actual commercial transaction, so that a broad field of operation is possible under it.

"In granting the authority to establish this agency the board has authorized the Federal Reserve Bank of New York to maintain accounts either for or with the Bank of England so that operations both in England and in the United States are possible.

Radical Departure For U. S.

"Other Federal reserve banks may participate in the agency relationship with the Bank of England upon the same terms and conditions that will govern the Federal Reserve Bank of New York if they so desire."

In addition to being the first step by the government toward going after foreign business it is understood the authorization of this appointment is a part of general plans for establishing financial connections that will strengthen the United States as a creditor nation in the commercial competition which probably will result when the war closes, and to provide a ready means to offset any tendency on the part of foreign bankers to withdraw the huge supply of gold accumulated here during the war.

The action marks a radical departure from the previous financial policy of the country inasmuch as it places the government of the United Sttaes and Great Britain for the first time in direct, continual financial relationship.

The first effect, it is thought, will

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Faith of Youth is Wrecked by Adults

Boys, 3 and 4, Found After Night's Search in Rocky Mountains for Santa Claus.

DENVER, Col., Dec. 25.—It's a long, long way, to the dwelling place of Santa Claus, but 3-year-old Jacob and 4-year-old Andrew Iteis undertook the journey yesterday.

They started from their home here yesterday morning and were found late last night a mile west of the city limits after walking seven miles. Nothing could convince the boys that, had not a cruel adult interfered and sent them to police headquarters in Denver, they would not have accomplished their mission.

A frantic mother succeeded in enlisting the aid of every patrolman and detective in Denver in the search for her children and the boys were found on a country road, headed for the Rockies.

FIENDS BUTCHER 5 IN LOOT HUNT

Array of Simple Presents Found in Blood Spattered Room by Lad of 7

THREE NEGROES HELD

Parents Killed, Boy of 11 Receives Death Blow Protecting Brothers

MINDEN, La., Dec. 25.—Neighbors summoned by a half-dressed little boy, 7 years old, ran to the home of John N. Reeves, near here, today to find that murderers had turned the house into a slaughter pen.

Reeves and his wife were dead, the man's skull crushed by an axe and the woman with a bullet hole through her head. An 11-year-old boy, still clutching in his arms his 15 months old brother and another of 5 years old, were battered and chopped from axe strokes.

The children were carried to a hospital at Shreveport, where the oldest died. Their brother, who gave the alarm, escaped because he was sleeping in the attic. He had come down early in the morning to look for his Christmas presents, when he saw what sent him flying, terror-stricken, to the next farmhouse.

A tool chest in which Reeves is said to have boasted that he kept $4,000 was found broken open near a table on which the parents had placed an array of simple presents before retiring Christmas eve.

Posses searched all through the day for the murderers. Tonight three heavily shackeled negroes were brought to the Minden jail. What evidence there is against them has not been disclosed.

VESSEL SINKING FLASHES S. O. S.

NEW YORK, Dec. 25.—The steamer Maryland was reported sinking late tonight in latitude 39 longtitude 67. A wireless message picked up here said that the engine room was rapidly being flooded and asked that aid be sent to the vessel immediately.

JOHN W. YERKES SERIOUSLY ILL

DANVILLE, Ky., Dec. 25.—John W. Yerkes, prominent in Kentucky politics of the Republicans, and one time candidate for Republican Governor of the State, is seriously ill at his home here, with two nurses in attendance. Mr. Yerkes was formerly Commissioner of Internal Revenue at Washington and only recently moved here from Washington.

Mildred Mae Barrett Arrives To Win Prizes For Christmas Babe

Born, December 25, 1893, to Mrs. J. Barrett, a son, Millard Wilson Barrett.

Born, December 25, 1916, to Mrs. Millard Wilson Barrett, a daughter, Mildred Mae Barrett.

Twenty-three years separate the two records. Twenty-three years sufficed for Millard Wilson, a Christmas Day baby, to grow and thrive, and to meet, woo and wed Miss Loretta Mae Meehan. Miss Mildred is their first child and is a Christmas baby, like her father.

For this she is to be congratulated. Because she is a Christmas gift, she is to be the recipient of a number of gifts that were announced two weeks ago by The Herald to be given the first baby born in Lexington on Christmas Day. She is the only one reported.

Because she was born on Christmas Day she will get $10 in gold, donated jointly by The Herald and the Union Bank & Trust Company, to form the nucleus of a savings deposit fund at that bank. She will get fifty birth announcement cards, the gift of the Quality Printshop; her first thirty days' supply of milk will come from the Sanitary Milk Products Company; her first toilet articles will come from the drug store of W. E. Stagg; a diamond baby ring will be given by Caskey, the jeweler; her first baby cap will come from Mrs. J. O. Jones; her first photograph from Johns, photographer; flowers will be the gift of Miss Fannie D. White, florist; her little baby shoes will come from Spears & Forwood; her candy will be given both by Schange's Candy Kitchen and Calagis & Company; when she gets older, she can take a business course at the Fugazzi School of Business, the gift of Miss Irene Fugazzi. She is indeed fortunate.

Her father is a munitions plant worker and will return to Dayton as soon as the mother's health permits. He hurried to Lexington yesterday to welcome his little daughter. While here they are staying at the home of Mr. Croghan, 350 South Broadway Park. Dr. A. Porter Taylor was the attending physician.

THIRD KENTUCKY UNDER FIRE ON MEXICAN BORDER

More Than 300 Shots Fired Across Rio Gra de When Mexican Snipers Engage Guards

INFANTRY MACHINE GUNS RUSHED TO AID

Drunken Rowdies From Juarez Blamed by General Bell for Duel

(By Webb Miller, United Press Staff Correspondent.)

EL PASO, Tex., Dec. 25.—More than 300 shots were fired across the Rio Grande river last night when Mexican snipers fired on the outposts of the Third Kentucky National Guard, just above Juarez and El Paso. A machine gun company was rushed to the border when the firing continued from the hills across the river, and swept the cactus covered hills with 200 shots. Sniping then ceased. Officers here believe the firing was started by drunken Mexicans.

About midnight scattered shots, followed by a volley, were fired at Company B, of Henderson, Ky., under Sergeant Hancock. After a few shots had been fired from the opposite shore the guardsmen opened fire.

From the headquarters of the patrol near the cement plant, Company L, of Litchfield; Company D, of Hopkinsville, and a machine gun company rushed to the aid of the patrol. Only desultory shots were coming from the Mexican side when reinforcements reached Company D. But a machine gun was set up and a few volleys fired.

Drunken Mexicans Blamed.

Reports made to General Bell indicate that drunken Mexicans from Juarez were responsible for the sniping.

Despite efforts of Federal agents on the border, little further information as to the capture of Torreon by Villa is available. From every source reports are reaching here confirming earlier reports that the bandit chief has been in possession of Torreon, the most important railway center in Northern Mexico, since Friday. In military circles here it is thought Villa's next move may be upon Saltillo.

Carranza troops under General Murguia patrolled the streets of Juarez all day expecting a clash with followers of General Gonzales, deposed Carranzista leader. One officer of Gonzales' staff, placed under arrest by the newcomers, made a break for liberty yesterday and was fired upon, but escaped unhurt.

NEW REVOLUTION NIPPED.

SAN ANTONIO, Tex., Dec. 25.—Authorities believe they have nipped in the bud a new Mexican revolutionary attempt here in the arrest of five members of a gang of Mexicans who terrorized this section of Texas last summer. The men were taken into custody as a direct result of the killing of W. A. Slocum, near here. He came to San Antonio recently from New York and was a merchant. Sheriff Tobin and his deputies made the arrests.

RUMORS THICK AND FAST.

EL PASO, Tex., Dec. 25.—While rebel troops are said to be moving eastward from Torreon in the direction of Monterey, after capturing San Pedro De Las Colonias with its Carranza garrison of 1,000 men, another report to reach the border tonight credits General Francisco Murguia with leading an expedition in person against Villa bands in the region of Minaca, to the west of Chihuahua City. A rumor also is current in Juarez that about 1,500 of Villa's men are near the frontier, twelve miles east of Juarez.

STORM HALTS CELEBRATION.

American Punitive Expedition Battles With Sand to Save Camp.

FIELD HEADQUARTERS PUNITIVE EXPEDITION, MEXICO, Dec. 25.— Dust smothered the great Christmas celebration at the field headquarters of the American punitive expedition tonight. A terrific gale from the southwest drove officers into their quarters and soldiers into their little shelters, gasping for breath. Whirling down the chimney of the adobe shacks it sent the occupants into the open air until the fires in the grates could be extinguished. the smoke cleared out and the shelters rendered habitable. Tents were flattened, adobe houses and officers' quarters unroofed and kitchen fires blown out.

Because of the gale every man not on guard duty was allowed to seek shelter from the dust. Orderlies, sent out with messages in the limits of the camp, took an hour to walk 1,000 yards. Travel without dust goggles was impossible. Hundreds of men are hatless who, not realizing the force of the wind, ventured into the open only to see their headgear swept away over the mesa. The headquarters camp appeared as a great blur.

Although the day was cloudless,

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Memorial Held in U. S. Capitol for Mrs. Boissevain

WASHINGTON, Dec. 25.—Memorial services for a woman suffragist were held in the Capitol today for the first time. Members of the Congressional Union for Woman's Suffrage gathered in Statuary Hall by permission of Speaker Clark to pay tribute to the late Inez Milholland Boissevain, and such a crowd tried to join them that the police had to bar the entrances. The hall and its galleries were packed before the program began.

Forming in the House office building, the suffrage leaders, with girls carrying banners of suffrage colors, and choir boys, led by Miss Alice Paul, national chairman of the Congressional Union, marched across to the Capitol. Miss Paul bore a banner that Miss Milholland carried as a girl in 1910 in the first suffrage parade held in this country. Close behind Miss Paul came Miss Lucy Burns, of Brooklyn, with a banner inscribed "As he died to make men holy, let us die to make men free."

Five speakers, Senator Sutherland, of Utah; Miss Anna Martin, of Nevada; Rowland B. Mahany, of New York, and Miss Maude Younger and Mrs. William Kent, of California, delivered addresses. In a resolution unanimously adopted, President Wilson was urged to act for universal suffrage, "so that by her death Inez Milholland shall have delivered from the sacrifice of life her country-women."

As the audience was filing from the hall to the strains of the "Marseillaise," at the conclusion of the services a spectator began singing the song loudly in French. His booming voice reverberated through the deserted Capitol corridors until the last note had been sounded by the orchestra.

LONDON PULPIT ABUSES WILSON

Wrong Note Sent "In Fit of Mental Aberration," Dean of Westminster Charges

RIDICULE EMPLOYED

President's Suggestions Referred to as "Black and Vile"

LONDON, Dec. 25.—The dean of Westminster, the Rt. Rev. Herbert Edward Ryle, preaching in the Abbey today, said:

"It is our resolve, God helping us, to overthrow military brigandage in Europe, to rescue the liberties and homes of the desolate countries, to obtain for these people reparation for their wrong, and for humanity lasting security against a recurrence of aggressive violence of crime

"It is true that the President of the United States, after two years of study of the question and innumerable notes, seems to believe that the objects of the two groups of belligerents is the same. He knows that Germany refused arbitration, declined a conference and rejected every overture to prevent war. He knows that his own countrymen have poured money like water to assist the destitute and outraged remnants of the little Belgian people, whose treaty rights were violated and whose frontiers were invaded before war was declared. He knows of the infractions of The Hague conventions which the American people have studiously promoted.

"He knows all the details of the organized atrocities reported upon its strict inquiries. He knows of the sinking of unarmed passenger ships like the Lusitania and Arabia without protest or warning. He knows of the murder of Captain Fryatt, of the nocturnal deportation of Belgians and French into slavery. He knows of German connivance, of Armenian massa- this evil demoniac of national militarism, have the same aim in view as the perpetrators of these historic crimes.

"President Wilson has either in a fit of mental aberration sent the wrong note or he has entirely misapprehended the European situation."

"These things are black and vile. The very thought of them on Christmas day makes one shudder. Does anyone suppose that peace would be honorable which regarded the assailants and defenders of humanity as having in view the same end? What kind of unity of aim do you expect between wool and sheep dogs over the fleeces of torn lambs?

"Peace on the basis of much hypothesis would be only an armistice given an exhausted foe, a much-needed interval for recuperation before renewing his insatiable passion for the hegemony of the world and the destruction of his rival with a savage war."

WASHINGTON, Dec. 25.—Various different plans suggested for meeting the deficit it is admitted the government will face at the end of the next fiscal year are being considered by President Wilson and his cabinet. It was said today that the President might decide to ask Congress on the subject, as soon as he made up his mind as to how the revenue should be raised.

Death Tramps With Happiness and Plenty In Christmas Observance in the Blue Grass

MEMORIES, GIFTS ALL THAT REMAIN OF CHRISTMAS 1916

Thoughts of Joys and Sorrows Linger to Make December 25 Gala Day for Lexington

CARES ARE BRUSHED AWAY FOR MAJORITY

Poor Not Forgotten by More Fortunate in General Round of Pleasure

Christmas—for 1916—is now "a something that was." It is a thing of the past. By the divine right of kings and custom it shuffled off this life at the stroke of 12 last night.

Its memories, however, linger. The good and the bad, the joyful and the sad, are still fresh in the minds of the Christmas revellers, the boys and the girls, the men and the women, the more sombre-minded parents and grandparents and the relatives who came all the way from somewhere else to be here with their friends and their relatives, to enjoy the joys that fall to their lot but once each year.

These memories are numerous; they include a multitude of thoughts and as many more actions. They include the remembrance of the smile that lit up the faces of the broken-down mother and her four children, gathered about the flickering fire, as the basket of good cheer was handed out to them; they include the joyful looks of the children who know no other Santa Claus than the visiting charity workers; they include the memory of the little white envelope, with the firm's cornercard, and which, when opened, was found to contain legal currency of larger or smaller denomination; or the envelop containing notice of the increased salary the directors had just voted; they included memories of the presentation of the more or less trivial gifts of the employes to a well liked employer or head of the department; best of all, included the memory of the inner feeling which came to the generous at the thought of having done something worth while by giving to others.

Memories Begin to Broaden.

The memories broaden out to individual activities, to include the remembrances of the Christmas dinner at one of the hotels, all of which were crowded; or thoughts of the long wait with the crowd seeking to gain entrance at the local picture shows.

The housewife had memories of her own. She telephoned late for her ice cream, only to find that the dealers were behind in their orders and could not deliver it to her that late in the morning because of the rush: she had called the poultry dealers earlier in the morning and found that the rush had practically cleaned their shelves of geese, ducks, turkeys, chickens and the center dishes.

There were those who forgot that the day was Christmas in the stores as well as in their homes and went to town, expecting to lay in some wearing apparel, only to find the front doors closed. The employers had sympathized with all their holiday-rush employes and had given them the day off, to enjoy as they saw fit. On the front door the prospective customer found a holly-bordered sign, "Merry Christmas." It was his turn to laugh and enter into the spirit of the day and he did.

Memories, Glad, Sad.

Memories of their presents lingered long and will linger longer in the minds of the fortunate. It was with trembling fingers the young and the old untied the strings to see what Santa had brought and rejoiced with the same feeling, that feeling of friendship toward others. Many were the hearts that were gladdened by the unexpected; many were the hearts that were saddened by the presents they didn't get. These thoughts are now memories, too.

For the first time in days, the post-office lobby presented a normal appearance. Most of the packages had arrived early; few were there that came late. In the express offices the workers and the clerks had a few minutes for rest, the first in more than a few days. So completely had the scene changed that even the very atmosphere of the place seemed refreshed.

The weather was ideal overhead, memory will recall, even if the snow and slush made it disagreeable under foot.

For a week the memories will linger strong. For a week the visitors and the residents will partake of the Christmas spirit; even though Christmas Day itself has ended, but until the New Year is formally ushered in the memories of the Christmas of 1916 will have precedence in the minds of all.

Until January 1, then, Christmas will still linger, figuratively. After that memories will gradually cease to

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Dinner in Trenches Happy Despite Roar of Guns and Shells

WITH THE BRITISH ARMY IN FRANCE, Dec. 25, via London, 6:45 p. m. (From a staff correspondent of the Associated Press).—Christmas has sent a throb of good cheer to all the British armies in the battle lines of France and wherever a British soldier ate his Christmas dinner today, whether in the front fire trenches or in the secluded security of the reserve camps, enthusiastic toasts were offered to King and Empire and the coming New Year, which Britons confidently believe will bring victory to the Entente allied cause.

The soldiers from overseas, the Canadians, Australians, New Zealanders and South Africans drank somewhat wistfully to the folks at home, but soon shook away any tendency to homesickness in the sturdy work of war, for war, grim and determined, went forward today as relentlessly as yesterday and as it will be tomorrow.

The Christmas carols, which arose up from all parts of the world, were not far reaching enough this year to muffle the roar of angry guns, or shut out the unceasing song of flying shells.

Bounteous Plenty Along Trenches.

It was a Christmas of bounteous plenty among the British and the soldiers in the field were joyously immune from the three-course dinner prescribed for the British Isles. Each individual company of the vast army organizations had a jubilant Christmas spread and there was much rivalry in the elaborateness of the camp menu. The members of the various companies pooled their assets, both edible and monetary, and the canteens and small French shops which persist and prosper in the war zone were called on for all their sweets and delicacies. Mess halls were splendidly decorated, in many instances with holly and mistletoe and paper flowers made by the soldiers themselves, many of the flowers being worked into

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PEACE PRAYERS IN N. Y. CHURCHES

Prodigal Giving to Poor and Unfortunate in Gold-Laden Metropolis

JOY IN WHITE HOUSE

President Romps With Relatives Then Carries Gifts to Children-Friends

NEW YORK, Dec. 25.—Although New York enjoyed this most bountiful Christmas in its history, thousands of persons who crowded the churches today were not frogetful of those in the war-racked countries of Europe. Beginning with a solemn high mass in St. Patrick's Cathedral, celebrated by Cardinal Farley, special services not only were held in all Roman Catholic Churches, but in the churches of other denominations, at which prayers were said for a speedy termination of the world war.

The city authorities, working in conjunction with many charitable and religious organizations, provided on a scale hitherto unknown for the comforts and welfare of the poor, and it was asserted tonight that all homeless and forsaken persons had been supplied at least with shelter for the day and a real Christmas dinner.

The Salvation Army, Volunteers of America, Elks, National Guards and other organizations distributed baskets of food, toys and clothing to thousands of poor families, while dinners for the poor were given by church missions and political and civil societies. Many police stations, which had been turned into store houses for gifts intended for poor children, continued their work of distribution late into the night.

Either turkey or chicken dinners were provided in the jail and other institutions maintained by the city. In the larger hospitals playlets were given and Christmas carols sung for the benefit of the patients. In the various children's institutions there were Christmas trees, bearing toys, candies and other gifts.

Besides being treated to a Christmas dinner, approximately 500 prisoners in the Tombs received pipes, cigars, tobacco, candy and fruit.

A Christmas tree in the missions along the water front was literally covered with neckties for seafaring men assembled here from all parts of the world.

Miss Evangeline Booth addressed several thousand persons who crowded into the Armory, where food and other articles were distributed by the Salvation Army. Although still indisposed from her recent illness Miss Booth remained until the last of 4,000 baskets had been given away. Joseph H. Choate, former ambassador to

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TRAGEDY STALKS IN WAKE OF WILD CHRISTMAS DAY

One Killed, Four Wounded, Several Bruised in Gunfight at School Exercises Near Danville

TRAIN DERAILED AS IT CRUSHES FARMER

Trail of Blood Blazed Across Central Kentucky as Yuletide Opens

Christmas Day left a trail of blood across Central Kentucky. A shooting scrape, in which one was killed, four wounded and several bruised and injured; a train derailed as it crashed into a man; a boy accidentally killed by his sister, are the outstanding tragedies of an eventful day.

News of other fatalities filtered into Lexington during the night, bearing their tale of the wild greeting Christmas received in the central part of the state.

ONE DEAD, FOUR WOUNDED IN SCHOOL GUN BATTLE

DANVILLE, Ky., Dec. 25.—William Benedict, Sr., was shot and instantly killed, four other persons were wounded and many suffered minor injuries in a gun fight at the Christmas tree celebration of the Harris Creek School, near the Lincoln-Casey County line, eight miles south of Danville, today.

The injured were George Thornton, shot in leg; William Benedict, Jr., son of the dead man, shot in ankle; Bourbon Galloway, son of Marion Galloway, shot in right arm, and Mike Gaddis, shot in leg.

The school children had gathered at the school house for their annual Christmas tree celebration, given by Miss Minell Prewitt, of Moreland, teacher. The building was packed with children and visitors.

A disturbance was created by Thomas Thornton, who, it is alleged, had been drinking. When Benedict rose and asked that order be restored, it is said that George Thornton, a brother of Thomas, left the building and returned with a revolver. A general shooting followed and five bullets took effect in Benedict's body.

It is not known who fired the first shot. People ducked between the seats, fell to the floor, and jumped through the windows and doors to escape the bullets and a number received cuts and bruises in escaping.

All the participants had been on good terms previously as neighbors and there had been no bad blood between any of them so far as could be determined.

GIRL ORPHANED AS HER FATHER DIES IN BARN

NICHOLASVILLE, Ky., Dec. 25.—Matilda May is only 15 years old, but her thin shoulders are bowed with the miseries of a bleak life.

This morning her father, Samuel May, went out to celebrate Christmas. Tonight she is an orphan.

May staggered into a store and his noisy hilarity disturbed several others. So, they wrapped him up and laid him in a barn to "sleep it off."

When they went after him, a few hours later, he was dead.

Matilda was huddled beside the corps tonight, wondering what was to become of her. They will hold an inquest tomorrow.

BOY KILLED BY SISTER, PLAYING WITH PISTOL

GEORGETOWN, Ky., Dec. 25.—John Thomas Allen, a boy of seven, whose father is a tenant on the Kirtley Shropshire farm was instantly killed Monday by his half-sister, Rosa Belle Brack, aged 17, while playing with an old pistol.

The revolver had been empty and it is thought the lad put in the cartridge which caused his death.

FAST TRAIN DERAILED AS IT CRASHES OVER MAN

DANVILLE, Ky., Dec. 25.—Q. & C. Royal Palm train, leaving Lexington at 9:20 o'clock this morning, was derailed about ten miles south of Danville today. An investigation of the cause of the accident resulted in the discovery of the body of Virgil Gooch, a farmer, 35 years old, ground to

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