

**THE WEATHER**  
Generally fair Monday except possibly scattered showers near the coast; Tuesday partly cloudy followed by local showers in the mountains.

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## Loyalist Offensive Is Halted

### Troops In Panicky Retreat Before the Moors

### Take Four Villages

Rebels Claim That Many of Foes Are in Danger of Encirclement

With the Nationalists at Teruel, Aug. 1.—(U.P.)—Moroccan cavalry nearly shattered a loyalist offensive that drove to within four miles of this medieval city where the mummified bodies of "the lovers of Teruel" have attracted pilgrims for 700 years, nationalist headquarters said.

The Moors, swinging sabers and riding backward across the Aragonese deserts that have no highways and few paths, sent between 4,000 and 5,000 packed loyalist troops in a panicky retreat.

### Many Killed And Wounded

Hundreds of men of the government's "steel column" that fought for two weeks to smash Gen. Franco's Franco's Teruel

Rebels directly east of Madrid were said to have been killed and wounded in hand-to-hand fighting with rifles, bayonets and machete knives.

The "lovers of Teruel" whose mummified bodies are in the ancient church of San Pedro were Juan de Saura and Juan Diego Martinez de Marcella. They died of grief at being separated and were buried in one tomb. Their story is the subject of a Spanish poem, "The Lovers of Teruel" by Juan de Saura.

### Take Four Villages

Nationalist headquarters, reporting the capture of four more Spanish villages west of Teruel Aug. 1, had been held by 14,000

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## Spanish Govt. Planes Attack Rebel Cruiser

### Franco Moves Up Forces for Another Attack On Madrid

Madrid, Aug. 1.—(U.P.)—Three Spanish bombing planes today attempted to sink the Rebel cruiser *Cerro* off the Biscay coast, but were driven off by German high-speed anti-aircraft guns mounted on the *Cerro's* forecastle, the government war ministry announced.

The *Cerro*, leader of Gen. Franco's sea raiding force that has spread a blockade along the Biscay coast, was sighted off Castro Urdiales north of Santander. She was accompanied by several armed barges.

The Loyalist planes dropped about 20 high-explosive bombs around her, some so close that they splashed water over the *Cerro's* decks, and forced the cruiser to steam away in a zig-zag course.

As the *Cerro* opened the way for her new anti-aircraft units, the Loyalist planes were driven off.

Units of the Loyalist air force hammered the Rebels on the central front around Madrid, bombarding and strafing with machine-gun fire. Rebel troops con-

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## July a Slack Month In the Building Trades Here

Building permits issued by City Engineer J. B. Flora during the month of July totaled \$6,250 and compared with the 1937 total up to \$71,000 according to the records in the city office.

Permits issued this year, by month, follows: January, \$4,000; February, \$14,560; March, \$10,000; April, \$11,010; May, \$23,000; June, \$5,550; and July, \$6,250.

Permits issued during 1936 totaled \$1,172 which total will probably be exceeded somewhat this year.

Three permits were issued during the building trades during a seasonal slump.

## Leviathan Will Be Replaced By Liner

### Shark Kills 40-Pound Drum at Nags Head

An unusual fish story is related by Edward Griffin, Jr., who is vacationing at Nags Head in a letter to his father, W. E. Griffin of West Church Street.

According to young Griffin's story, Mr. James Leary of Edenton was on the beach several days ago when he happened to see a shark in the breakers near the Arlington Hotel. The shark dived and the water at the point where he dived took on a bloody appearance. When the shark swam away, Mr. Leary swam out to where the shark had dived and found a large channel bass, or drum, thrashing around in the water. The shark had split the drum's stomach wide open.

Mr. Leary pulled the drum up on the shore and then took him to the Nags Head post office to be weighed. He weighed exactly 40½ pounds.

## Pamlico May Enter Two Boats

### In Capsize Race at Roanoke Island On Wednesday; Arrived Yesterday

The Coast Guard Cutter Pamlico will probably enter two boats in the capsize race to be held at Roanoke Island Wednesday, August 4, as a part of the Coast Guard Day activities. It was announced yesterday by Lt. W. P. Hawley, commanding officer of the cutter.

The Pamlico arrived here yesterday.

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## Liquor Arrests Are Result of Fist Battle

### Hertford, Aug. 1.—A drunken brawl here tonight led to the revelation of information which led to the arrest of Kermit Lane of Peters Hill and W. H. Curtis of the same locality on charges of possession and sale of illicit liquor.

Curtis is out on bail, and a warrant will also be issued for Lee Turnidge, his foster son, on similar charges.

The fight, which occurred in Lane's front yard, was between him and Hayward, who is in bed recovering from injuries received in the fracas. Information elicited by Officer Owens subsequent to the fight led to the seizure of seven gallons of whiskey, 85 empty bottles and a medium sized still on Skinkers creek about a half mile from Hertford.

## Petaim Says Arrival Of Americans Saved Cause

### To Bury Hatchet At Currituck Hearing

Currituck, Aug. 1.—A peaceable settlement of differences is expected to take place here tomorrow when National Park Service representatives appear before the board of county commissioners relative to the Negro transient camp at Coinjock.

The commissioners are expected to rescind their previous request that the camp be removed from Currituck County, and the Park Service officials are expected to consent to withdraw their recent order for removal of the camp by August 15.

It is understood that the Coinjock residents who formerly complained about the transients and petitioned for removal of the camp have had a change of heart recently and are now willing to have the camp remain at Coinjock.

Park Service officials already have indicated that they are willing to withdraw the removal order and that they will attempt to discipline the transients more effectively in the future than heretofore.

## Projected Steamer Will Carry 1,200 Passengers

Washington, Aug. 1.—(U.P.)—Chairman Joseph P. Kennedy of the maritime commission tonight invited bids on a new twin-screw, 34,000 ton passenger liner for the United States lines to replace the old wartime Leviathan which was laid up in 1935.

After a series of conferences in New York with officials of the line Kennedy worked out details for construction of a 22 knot liner of the maritime commission's own design to compete with the speedy foreign liners for the rich North Atlantic traffic.

The new vessel will be slightly larger than the Manhattan and Washington, the two most modern liners flying the American flag. It will be 723 feet in length with a beam of 92 feet, a depth to promenade deck of 75 feet, and will accommodate about 1,200 passengers in three classes and a crew of about 630.

Bids will be opened at noon Wednesday, Sept. 15, and will require that the vessel be completed within two years and four months of the date of award.

All of the latest safety devices recommended by the senate safety-at-sea committee which investigated the Morro Castle and Mohawk disasters have been incorporated in the design. Most of the lifeboats will be motor propelled and radio equipped. Ample provision has been made in the cargo space for transportation of passenger automobiles.

The United States lines company agreed to build a vessel to replace the Leviathan when it laid up the old German Vaterland in 1935 on the ground that it was too expensive to operate in competition with the modern greyhounds of Great Britain, France and Italy.

## Marriage Licenses Bid Fair to Set New Record

Despite a slight July slump, the marriage license business in Pasquotank County so far this year is well ahead of the first seven months of 1936 and seems likely to set a new record ere December 31 rolls around.

Thirty-two licenses were issued during July by Register of Deeds J. C. Spence, this being nine more than last July's total of 23. The total for the first seven months of this year is 259, against a total of 195 for the first seven months of 1936.

Last year's total number of marriage licenses was 433, and it now appears that this year's license sales will top the 500 mark, an all-time high.

The number of licenses sold this year, by months, is as follows: January, 41; February, 35; March, 36; April, 39; May, 39; June, 37; and July, 32.

## Nobody Won War, Pershing Tells Throng at Unveiling

Montfaucon, France, Aug. 1.—(U.P.)—Marshal Henri Petaim of France, in tears before a granite shaft above the Meuse-Argonne Plains that are glorified by the blood of 123,000 American doughboys, revealed today that the arrival of the first U. S. troops in the summer of 1917 saved the Allies from defeat.

Petaim spoke at the dedication of the 175-foot Doric shaft, surmounting the untouched war ruins of Montfaucon, before an audience of 3,000 American war veterans and their families who came from Paris in five special trains.

Beside him was his close friend, Gen. John J. (Black Jack) Pershing, an erect and stalwart figure in khaki despite his 77 years and poor health.

Pershing, in a brief speech, painted a graphic picture of the horrors of war by describing the fighting of the Meuse-Argonne.

Warning that western civilization cannot survive another great war, Pershing attacked the "un-

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## U. S. Debt Reaches New Peak

### Is Ten Billion Higher Than It Was In War Time

### Spend Two for One

### Economy League Sees Danger Ahead Unless Retrenchment Begins

Washington, Aug. 1.—(U.P.)—The federal government will have to cut expenditures from \$1,600,000,000 to \$3,200,000,000 a year before it can balance the budget and start reducing the record-breaking national debt, Director John C. Gebhart of the national economy league estimated tonight.

Gebhart, making public survey of federal finances covering what he described as the "seven lean years" of deficits, said that if the contingent, guaranteed debt of \$4,718,000,000 were added to the direct public debt of \$36,425,000,000 on June 30, the national indebtedness would be found to have reached "the staggering total of \$41,143,000,000."

### Spend Twice Income

The survey claimed that since Dec. 31, 1930, when the national debt stood at \$16,026,000,000, treasury receipts have totaled \$23,602,000,000 while expenditures amounted to \$45,854,000,000.

"During that period," Gebhart said, "we have spent about 100 dollars for every dollar taken in. We have increased the public debt until it is now two and a quarter times as large as it was in 1930; it is \$10,000,000,000 higher than the peak of the war debt."

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## More Russian Reactionaries Under Arrest

### Charged With Trying to Organize a Reactionary Movement

Moscow, Aug. 1.—(U.P.)—Thirty persons, including Bishop Innokenty Nikiforov, 12 priests and three deacons, were charged at Oreil tonight with attempting to organize a counter-revolutionary Fascist organization among reactionary church members and reactionary elements.

The others included three former landowners, one former prince, two former nuns and eight once-prominent house owners.

Among the 30, 16 had been tried before and had served or were serving prison terms. The al-

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## Independent Sets New 'High Mark'

When a single copy of a small town newspaper sells for \$4.85, that is news, yet that is what a copy of *The Independent* sold for on the West Coast a few weeks ago.

A Mrs. Derr, of Tulsa, Oklahoma, who is visiting here, tells the story. Mrs. Derr ran into a friend recently who had been out on the West Coast, and he related to her how he had come to pay nearly \$5.00 for a copy of a "little hick town newspaper."

This man was stopping at the Hotel Wagner in Los Angeles one night and a worn copy of *The Independent* carrying that day's news was on a table in the lobby. Picking it up, he read the private page and literally howled around to see what had struck him so funny, and soon they all were indulging in good belly-laughs.

There naturally was an argument as to who could take the paper off with him, and they finally agreed to settle the argument by selling the paper at auction.

Mr. Segal, Mrs. Derr's friend, finally bought the paper for the grand sum of \$4.85.

"It's been worth a lot more than that," he told Mrs. Derr.

# Fight On Wages-Hours Bill Now Up To House

## Japanese Mass To Attack Chiang's Nanking Troops

### French Clash With Japanese Forces In Tientsin

Tientsin, Monday, Aug. 2.—(U.P.)—More than 30,000 veteran Japanese troops, including some of the most highly mechanized regiments of the famous Kwantung army, were massed in the Fengtai-Lukouchiao area southwest of Peiping today read to start a major attack on five divisions of the Chinese Central Government's soldiers.

The Chinese were estimated to number about 100,000 including remnants of the 29th division and other units driven from the Peiping-Tientsin area by the Japanese. The Central government divisions, totalling about 60,000 are German-trained and equipped with modern weapons.

### Strong In Air

Both sides are well supplied with airplanes. The bulk of the Chinese forces are entrenched around Paoting-Fu near the old Imperial military academy. Their advance lines are at Liulih, about 13 miles south of the Japanese advanced lines

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## No Protest Is Expected Today

### On Bond Issue for the Agriculture Building; Hearing This Afternoon

Unless some 600 or more registered voters of Pasquotank county register a protest today against the issuance of a \$20,000 bond issue with which to finance Pasquotank county's share of the cost of the proposed county agriculture building, advertisement of the bond issue will begin this week and construction of the building will soon be started.

Under the terms laid down by New York bond attorneys last month, the board of county com-

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## W.O.W. Jamboree At Hertford On August 26th

### Fraternal Group's Annual 'Log Rolling' Includes Barbecue and Fish Fry

Hertford, Aug. 1.—For the first time in eleven years the Albe-Marie Camp Number 463, Woodmen of the World, will play host to nine or ten hundred lodge members from the Tidewater Association. It was decided at a special meeting here Thursday night.

The "Log Rolling" lodge term for the annual district jamboree, will be held here on Thursday, August 26, according to information released by the publicity committee last night. Members of all the camps in this district will be invited and the district includes everything from Rocky Mount east to the ocean.

The big affair was held last year in Ahsokie and Thursday night's meeting here was entirely for the purpose of inviting the

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## TODAY'S LOCAL CALENDAR

A. M.  
8:30 Mens Christian Federation  
10:00 County Commissioners  
P. M.  
1:00 Rotary Club  
3:00 City Council; Pocahontas, Kiwanis Jr. glee club; W. O. W.; First Baptist board of deacons.  
Library hours: 10-12, 2-6.

## She Says They'll Fight



CHIANG KAI-SHEK AND WIFE

Nanking, Monday, Aug. 2.—(U.P.)—Madame Chiang Kai-Shek, her dark eyes flashing defiantly, said today in an interview with the United Press that China "will fight and win" her undeclared war with Japan.

The American-education wife of China's dictator said on behalf of the nation's women that a state of war against the "foreign invaders" exists and predicted a victory for China's arms.

Her declaration that "this is wartime" was made during the course of a stirring appeal to the women of China to support their husbands, sons and sweethearts at the front. An auditorium crowded by women and girls approved the first lady's program for a "society to comfort and support the nation's defenders."

"If the country's women are behind the government and the army—and today's meeting afforded ample proof they are—our

## ABC Store's Sales Hold Up Well

### July Business Pleasing; 7-Months Total Nearly \$100,000

With but seven months of the calendar year gone, the 1937 receipts of the Pasquotank County ABC store already are but very little short of \$100,000 and are well on the way toward topping the receipts for the 1936 calendar year and the 1936-37 fiscal year.

Despite competition furnished by the Dare County ABC stores, the local liquor store's July business was but slightly below the June business and was better than the receipts for July, 1936.

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## Brutal Slayer Of Child Sought In Brooklyn

New York, Aug. 1.—(U.P.)—More than 100 persons were questioned today in connection with the murder of eight-year-old Paula Magagna, Brooklyn school girl whose nude body was found in the cellar of her home yesterday, garroted with a clothesline, and criminally attacked.

Fifty detectives sought the killer among known degenerates of the district, but police admitted privately that they were "up against a stone wall."

No trace even of the red and white checkered sun suit the child wore when last seen alive had been discovered.

The tragedy's effect on the Magagna family was evident at their home. Marino, the girl's 5-year-old brother, sat on the front porch all morning, his head resting in his hands. Her 12-year-old brother, Louis, attended children's mass, relatives said, and prayed that the murderer of his sister would be captured and punished.

As Paula's body arrived at her home late today from the Kings County morgue an uncle of the dead girl ran down the steps of the building, placed his head against the rear door of the house, outside of which 500 persons had gathered.

Many detectives were in the crowd, scrutinizing faces in the hope that the murderer might have been drawn back to the scene of his crime.

## Rayburn Predicts An Adjournment In Three Weeks

### Senate Fight Vain

### Measure Passes In Upper Chamber by 2-to-1 Vote; South Is Opposed

Washington, Aug. 1.—(U.P.)—House majority leader Sam Rayburn grew optimistic tonight over prospects for congressional adjournment within three weeks as the senate shunted the wage-hour bill, approved 56 to 28, to the house and prepared to begin work tomorrow on the Wagner housing measure.

Rayburn said congress should be able to complete President Roosevelt's five-point program in three weeks and probably even less time. He said the wage-hour bill, scheduled to come from the house labor committee on Tuesday or Wednesday, would be given right of way as soon as leaders could arrange it, probably reaching the floor a week from tomorrow. In the meantime, Rayburn said, the house will work at top speed on sugar legislation and anything else ready for action.

### Rayburn Confident

Rayburn expressed confidence in the face of a threatened revolt by Southern house Democrats against the wage-hour bill. Their colleagues in the senate, led by the usually faithful administration Sen. Pat Harrison, D., Miss., fought the measure but without

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## War Threats Are Receding On Continent

### Britain and Italy Seem On Verge of Reaching An Understanding

Rome, Aug. 1.—(U.P.)—Italian and foreign diplomats, convinced that tempers have been spent and that the powers of Europe are ready to take a more realistic view of their troubles, said tonight that the threat of a general war is diminishing rapidly.

The major powers, they believed, are in a better frame of mind to isolate the Spanish conflict than at any time during the last 12 months.

The international non-intervention scheme, although tottering, has not collapsed and may be salvaged despite Russia's refusal to compromise over the granting of belligerent rights to the Spanish nationalists.

Most cheering of all developments was Britain's readiness to reach an amicable settlement on matters affecting Anglo-Italian interests, particularly in the Mediterranean. Prime Minister Neville Chamberlain's note to Premier Benito Mussolini over the week-end indicated to them the possibility of an Anglo-Italian rapprochement.

Italian officials, however, wondered how such a rapprochement would effect the Franco-Soviet alliance, vastly weakened by widespread execution of high Soviet leaders who had won France's friendship.

Chamberlain's letter of friendship was additional proof that Britain was most anxious to main-

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## Local Drum Corps On Roanoke Island August 18

The Senior Boy Scout Drum & Bugle corps of Elizabeth City will begin practice tonight for its performance on Roanoke Island on August 18. The local organization has been invited to go to the island on the occasion of the President's visit and every effort will be made to have the corps at the top of its form on the occasion. All present members and former members are urged to be at the courthouse tonight at 7:30 o'clock. Leo P. Louis is director of the corps and Edward Bell, president.