

Pacific Coast Shipping Prosperity Expected To Continue For Some Time

San Francisco—(AP)—George Killion, president of American President Lines, summed up in two words the outlook for Pacific coast shipping: "Never better."

A United Press survey showed that passenger and freight steamship lines serving the Pacific were in the midst of the biggest boom since World War II.

The dollar value of foreign trade in and out of West Coast ports in 1956 was up 14 per cent over the previous year.

More cargo moved to the Far East on U.S. ships than ever before. Total tonnage more than doubled what it was when Shanghai and other north China ports were open.

Tourist Number to Increase

New liners will boost to 180,000 the number of tourists visiting the Pacific this year—double the 1956 total.

Biggest problem facing the industry was to find more ships. One solution was to pull World War II freighters out of mothballs. Another was to convert mariner freighter hulls to liners.

In the midst of a multi-million dollar liner construction program was Matson Navigation Co., whose president, Randolph Sevier, predicted that the surge of tourists throughout the Pacific "is just getting started."

Americans definitely are on the move, with more money to spend and more leisure time in which to spend it than ever before in history," he said.

Matson has banked its faith in the Pacific travel boom with the

remodeling of the Mariposa and Monterey from mariner hulls to passenger service to the South Pacific, Australia and New Zealand.

In addition, Matson's flagship Lurline will be joined on the California-Hawaii run by the Matsonia on June 11. The big two-stack liner has been undergoing a \$20 million reconstruction job in an eastern shipyard.

The new Hawaiian Steamship Co. will invade the lucrative Hawaiian tourist trade on Feb. 5

when its 700-passenger Leilani makes her maiden voyage from California. The 18,000-ton Leilani is the former warbuilt troopship LaGuardia.

The British flag Orient Line's six luxury liners will increase from six to 10 their sailings from the South Pacific to the U.S. Pacific coast. And in 1960 the fleet will be bolstered by the addition of the new 2,000 passenger liner Oriana.

Japan's NYK line, seeking to

regain its pre-war eminence, is building two 22,000 ton fast luxury liners for service between Japan and San Francisco. They are expected to be ready by 1959.

Biggest new ship program has been launched by American President Lines which is spending \$275 million for vessels of all types, including a superliner that will carry 1,400 passengers on cruises to the Orient.

APL's new 14,000-ton President Hoover, the former Pana-

ma, will make her maiden voyage to the Orient on Feb. 11 with 200 passengers.

About 40,000 of 180,000 passenger berths available this year are on freighters, some of which offer luxury accommodations equal or superior to the liners. Travel experts agreed that a tourist would get more for his money on freighters, but that it was possible to travel more cheaply on a liner than on the average freighter.

Not only were more ships available for tourist travel, but more hotel space was being readied in Pacific basin countries. Most of this construction centered in Hawaii, mecca for more than 100,000 tourists in 1955.

Other new hotel accommodations were planned for Australia, New Zealand, Bangkok and Tokyo.

The cargo-carrying end of West Coast shipping industry also looked forward to smooth sailing.

One big reason was U.S. economic aid to Asian nations in the form of sale of surplus grain. Under the "50-50 law" one-half of the grain must be shipped in U.S. flag vessels. Not enough U.S. ships were available and

as a result the Federal Maritime administration authorized the "breaking out" of 25 World War II victory ships in reserve fleets at Susun, Calif.; Astoria, Ore.; and Olympia, Wash., for charter to West Coast lines carrying the grain to the Far East.

The ship shortage was largely the result of the blockade of the Suez canal. Cargoes were diverted around Africa and through the Panama canal and charter rates climbed.

APL's Killion said the prosperity also could be credited to high levels of trade with the Far East. He predicted substantial increases in 1957.

"The densely populated countries of Japan and India have made steady progress in their respective economies and offer

especially bright prospects for expanded trade during 1957," he said.

"The Republic of the Philippines likewise is making great progress toward a stabilized economy which augurs well for increased foreign trade."

Another promising note was the labor peace on West Coast waterfronts. All the maritime unions are under contracts that will not expire for at least 18 months.

Several ports have launched extensive programs of reconstruction and expansion in order to grab as much of the coast's shipping business as they could. According to one estimate, each ton of cargo that moved across a pier pumped \$10 into the local area's commerce.

Western Business Leaders Expect Prosperity To Be Continued; Cautious Note Interjected

Oakland, Calif.—(AP)—Six Western business leaders today forecast continued prosperity for the region in 1957—but added a word of caution.

From several came warnings that inflation, war and excessive government regulation posed threats to the booming economy of the West and the nation.

The forecasts were contained in the January issue of Westward, monthly magazine published by Kaiser Steel Corp.

Executives quoted were T. S. Petersen, president of Standard Oil of California; Marrison S. Eccles, chairman of Utah Construction Co.; Neil H. Jacoby, dean of the UCLA graduate school of business administration; F. G. Gurley, president of

the Santa Fe Railroad; Harold Quinton, president of Southern California Edison Co., and Gen. Joseph T. McNarney, president of Convair Division of General Dynamics Corp.

Petersen looked for another record year for Western business and industry.

"Sales for the petroleum industry are anticipated to increase about 4 per cent over 1956, even though large quantities of natural gas will be available for the first time in the Pacific Northwest," he said.

Eccles said war clouds over the world were the major factor affecting the business outlook, especially in the steel and oil industries and in governmental expenditures.

"Second only to that is the

problem of preventing further inflation, which diminishes the desire to work, to save and plan for the future, and like war imperils the very existence of our capitalistic democratic society," he said.

UCLA's Jacoby predicted continued expansion, although at a somewhat slower pace than in 1956.

He said the reelection of President Eisenhower makes it "more probable that the strong underlying current of business confidence in the future will be maintained" and that it was likely that "strong efforts will be continued to prevent price inflation, as well as to forestall serious business setbacks."

Gurley forecasts "continuing high level of business activity

in 1957," and Quinton said increasing productivity in every sector of the industrial economy resulted in increasing power consumption.

He added that "the favorable outlook for the electric industry as a whole would not be realized if companies should be subjected to restrictive and unrealistic regulation."

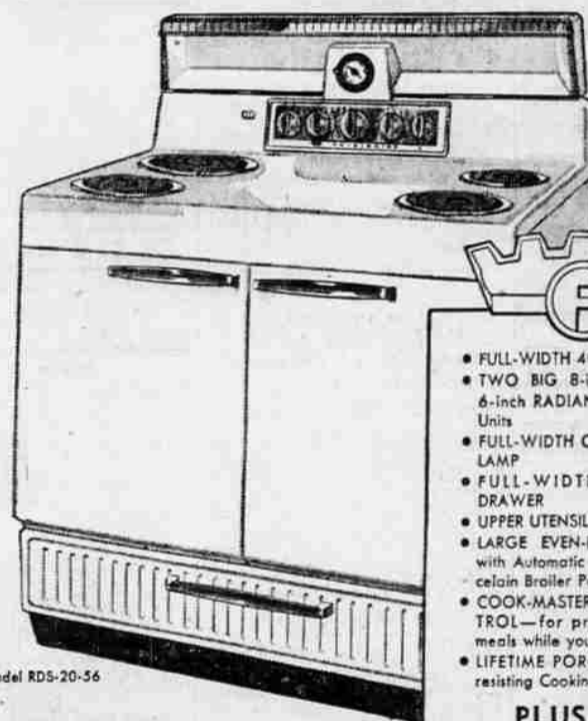
Gen. McNarney said that due to the international situation heavy government spending for defense weapons would continue, with most of the procurement money for aircraft and guided missiles being spent in the West.

He added that space flight presented "boundless opportunities for future growth" once difficult problems are solved.

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