Products Company) plan to operate five and four vessels, respectively, and a Taiyo-affiliated trading firm will employ two vessels, for a total of 11.

Papua New Guinea, an Australian territory which is scheduled to become a self-governing state in December 1973, for several years has been focusing attention on the development of the fishing industry for establishment of an independent economy and has been actively seeking foreign fishery investments, particularly from Japan.

The shrimp exploratory survey is the administration's second fishery development project, the first being the skipjack fishing and canning venture by the Papua New Guinea Canning Company, which is likely to begin commercial-scale operations next year with the participation of Japanese, American, and Australian interests.

Publications

Recent NMFS Scientific Publication

NOAA Technical Report NMFS CIRC-376. Colton, John B., Jr., and Ruth R. Stoddard. "**Bottom-water temperatures on the continental shelf, Nova Scotia to New Jersey**." June 1973. 55 p. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Price: 60 cents. (No abstract.)

Monthly Fishery Market Review

Tight Supplies, Heavy Demands Are the Rule

FISH FILLETS

Supplies of major groundfish fillets (cod, flounder, haddock, and ocean perch) available for consumption in June were well above a year ago (Table 1). Gains in consumption of fillets, however, fell far short of matching the increases experienced on the supply side. The result has been a large inventory buildup of major fillet items during the first half of the year.

The fact that consumption has not kept pace with growing supplies does not appear to be closely related to higher prices (Table 2). Rather, stockpiling of fillets appears to have become a major inventory strategy this year. Fillet inventories are now more than double year ago levels (Tables 3-6). In the coming months, the meat and poultry shortage is expected to become acute. Demand for fishery products, in turn, likely will increase and the heavier inventories will be available to satisfy any increase in demand.

It is also expected that import prices for fillets, cod in particular, will increase for the following reasons: a) poor catches in most major supplying nations; b) strong world demand; and c) continued currency realignments.

Given this outlook, many U. S. processors, by purchasing heavily now, may be trying to hedge against future fish supply difficulties and price competition with foreign buyers.

BLOCKS, STICKS, AND PORTIONS

The block shortage continued to worsen in June compared with a year ago, although there was some very slight improvement in holdings from the previous month (Table 7).

Imported block prices had been soaring all year (Table 8), and by June the margin between the raw material (blocks) and the finished goods (sticks and portions) had narrowed to a point where the replacement cost of the raw material was higher than the revenue received from sales of the finished goods (Figure 1). The announcement of the price freeze in early June placed sticks and portions producers in a cost-price squeeze since imported block prices were free to increase while stick and portion prices remained fixed under the freeze regulations.

There is little hope for immediate improvement in block supplies; however, relaxation of price controls in Phase IV will permit processors of sticks and portions to pass on some of their higher raw material costs.

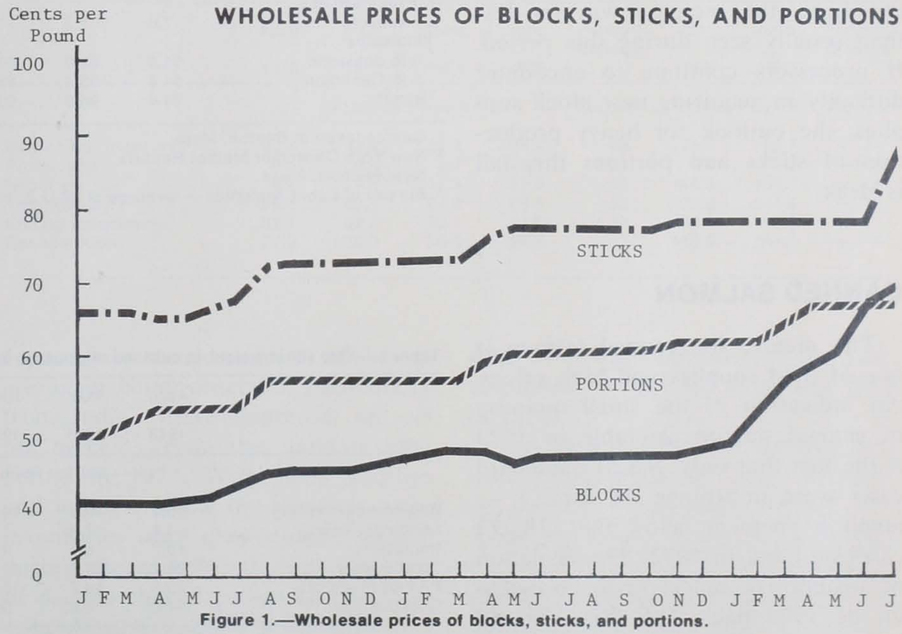

Figure 1.—Wholesale prices of blocks, sticks, and portions.