Representative DELLENBACK. You could not then under the terms of the contract go into your long term contract supply areas and take 100 percent of your supply?

Mr. BROOKS. That is correct.

Representative DELLENBACK. Is there anything in the contract that would preclude you, were the other available sources blocked to you, from going into your $8\frac{1}{2}$ billion board feet supply or whatever the amount may happen to be in the long term contract, and keep your operation running 100 percent with the fixed supply that you knew that you would have?

Mr. BROOKS. We could have operated 100 percent on the long term contract area if it had not seriously under run the contract volume and if the original plant had not proven to be less than the minimum economic size.

Representative DELLENBACK. If that then is the case, may I then return to my basic question. How can you say that permitting the export of round logs from Japan would wipe out your industry?

Mr. BROOKS. I mentioned the fact in starting that there were two facets to this question. First is the sawmills' position. Second is the pulp mills position, which is different. It would not wipe us, the pulp mills, out immediately because we have the long term contract which the sawmills do not have. But it is our opinion that it would increase our costs of wood supply to the point that we could not compete in available pulp markets.

Representative DELLENBACK. You are not required by contract to go out into the market for any portion of your raw material. From a strictly legal standpoint, you could stay with your fixed supply, which is a contract price, which is by present standards, at least down in the Pacific Northwest, a very favorable contract price. But I understand that, subsequent to your entering this long-term contract, you have increased the capacity of your plant. Well, you could have met your full initial production requirements into the timber from this long-term contract, you are unable to do so with your expanded capacity. So you are now in a position where the maximum cut permitted you under your long-term contract is not enough to operate your plant on an economically sound basis, thus forcing you into the open market to purchase the additional logs you need.

Mr. BROOKS. The stumpage prices are very favorable by Northwest standards and there would be an additional cost increase brought upon us by log export. I am sure the people down there experience the fact that their operations alone are costing them more, because of the ability of log exporters to pay more money than domestic mills have been able to pay. We would be in competition, in other words, for men and supplies and things of that nature with people who had the ability to pay more than we could. That is our opinion.

Representative DELLENBACK. Can you tell me how many of the major operations in Alaska have these long-term contracts?

Mr. BROOKS. There are presently in Alaska three long-term contracts, one with Ketchikan Pulp Co., one with Alaska Pulp Co. in Sitka, and the third is the contract that Mr. Davidson was interested in, with Pacific Northern Timber Co.

Representative DELLENBACK. Since I assume these are matters of public record—I don't mean to be inquiring into your personal busi-