

those people whose support we badly need. These, Mr. Chairman, are the staggering additional costs not shown in my figures.

Chairman PROXMIRE. As you know, Professor Leontief, the administration wouldn't supply the staff of the Joint Economic Committee with a numerical value to conduct your analysis. We understand that if hostilities ceased tonight the administration would not have domestic economic contingency plans to put into operation tomorrow. What do you feel about that inadequate advance planning?

Mr. LEONTIEF. I hope very much that unpreparedness for peace will not be permitted to last much longer. Advance planning is not a simple thing; it is, moreover, time consuming and expensive. You cannot remedy the situation by putting a couple of guys to work with pads and pencils.

Economic analysis nowadays is an exacting operation. It requires an investment of large resources in information gathering and painstakingly programmed large-scale computations.

A substantial investment in the preparation of this type of plan would pay off handsomely in higher output and employment and consequently in fewer bottlenecks, larger tax collections.

If the Federal Government had at its disposal a large, well-staffed, and generously financed organization for basic but, at the same time, practical economic research, we would not have to set up a special organization just to study the effect of deescalation. The same basic data, the same fundamental logic can, and in fact should be, used to analyze the problem of, say, the effects of technology on employment, or to answer the effects of a hypothetical escalation or of the present escalation in Vietnam.

To answer the latter question you just have to turn these charts upside down. The columns which go down will go up, and the columns which go up, will go down: We will have to cut down on consumption, we will have to cut down on social services, we will have to cut down on education, and so on, to produce more planes and more munitions and to send more boys to Vietnam.

Chairman PROXMIRE. What you are using here is what is called input-output analysis?

Mr. LEONTIEF. Yes, I do.

Chairman PROXMIRE. And what would be the total employment displacement under alternatives one and two over here?

Mr. LEONTIEF. Displacement might amount to possibly one million people having to shift into different jobs. It might be still larger because our computations tend to underestimate the amount of displacement in that we count as displacement only movements out of one into another of the 80-odd sectors in terms of which these figures are presented. But within each sector there are many subdivisions. Shifting out of one department of the steel industry into another might be quite a displacement for a worker, although statistically it does not appear as such. The same, of course, applies to shifts between regions.

Chairman PROXMIRE. I have just one final question. This is a question that I would appreciate it if Mr. Brock would permit me to ask, because my time is up.

Yesterday, we had very helpful testimony by four fine economists. The last one was Professor Weidenbaum, who as you know has made