many States, such as California and Florida, will face serious problems.

Senator JAVITS. I gather you think we ought to provide for mobility of such people? In other words, if there is better opportunity elsewhere we must provide for this.

Mr. LEONTIEF. Yes. I think first of all, we should estimate what the situation is likely to be, and then begin to provide to take care of it, both on the Federal and the local government levels.

I think local government should be alerted to the situation, since the burden very often of decision and action will be there. For example, it is very important to translate these employment figures in greater and more detailed figures by types of jobs. Figures are actually available which will show us what kind of people—will it be technicians, foremen, will it be mostly semiskilled labor—might be affected by this shift.

When we relase some people from the Army, these people have certain skills and don't have some other skills. There will be quite a problem finding the most effective use for them.

Senator JAVITS. Do you have any concrete recommendations for us, or are you just telling us that there are two alternatives, and what will happen?

Mr. LEONTIEF. Senator, just a short time before you came in, under questioning of the chairman, I discussed what action should be taken. In this case, obviously, action must be preparatory. The country usually has war plans. The country should also have peace plans.

Senator JAVITS. Thank you very much.

Thank you, Mr. Chairman.

Chairman PROXMIRE. Senator Miller?

Senator MILLER. Thank you, Mr. Chairman.

Dr. Leontief, yesterday the committee received some testimony from Professor Suits of Michigan. I am going to quote from his statement. He said:

> The rise in war spending from an annual rate of $48.2 billion in the first quarter of 1965 to the rate of $65.5 billion in the last quarter of 1966 represented a total increase of $17.3 billion. Taking account of induced consumer expenditure, this increase was responsible for a total rise of $32 billion in annual GNP, and for roughly 3.2 million additional jobs.

Would you agree substantially with that statement?

Mr. LEONTIEF. I did not have the benefit of studying the underlying computations, so I could not really say yes or no. I think that the general order of magnitude involved sounds plausible. Of course, I did not hear anything in it about the price level, and this is one of the important things, because whenever we speak of increased expenditure or increased income, we would like to know what it means in real terms.

In my computations, all inputs and all outputs were measured in constant base-year prices. In other words, all changes shown on the charts depict increases and decreases in the actual amounts of goods and in levels of employment. If prices were to go up or down, the dollar figure will be larger or respectively, smaller.

Senator MILLER. More specifically, his approach was this. He said that according to Michigan University studies, they reached the conclusion that each dollar of war outlay stimulates about 85 cents of