

2005  
Harvard Univ.  
Input-output  
study

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(part of time- LCD  
WSS

January 12, 1961

Wassily W. Leontief - Department of Economics, Harvard University

Leontief came in for three purposes:

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1) To report briefly on the current status of plans for the International Input-Output Conference. This will be held in Geneva, September 11-15, 1961. So far, 250-300 participants have agreed to come from 35-40 different countries, more than half of which are in the "underdeveloped" category. The UN has just sent out its formal invitations so there may be some augmentation of these numbers especially from European countries whose participants are less inhibited by high travel costs. (As a result of the increase in the number of participants, the cost to the Conference budget per person is down to about \$100.)

Leontief reports very good response from the satellite countries but evidence of suspicion and hesitation from Russia which is demanding formal invitations from the U.S. National Academy of Science which of course can not extend such invitations. Leontief believes that in the end Russian participants will come rather than miss the chance to participate in so important a meeting at which so many underdeveloped countries will be represented.

(Leontief agrees that it is possible the Russians are indeed now well ahead of the U.S. in development of input-output theory and technique. He says in fact that Europe in general, including Russia and especially the Dutch and French, is some fifteen years ahead of the U.S. in the whole field of economic research and theory above the level of local plant management and including input-output analysis.)

(Leontief adds the following item of intelligence confidentially: next summer, prior to the Input-Output Conference, he is attending a highly select conference at the Institut für Weltwirtschaft (Institute for World Economics at Kiel University) in Kiel on Economic Consequences of Disarmament. About eight people including, besides himself, Jan Tinbergen, Gunnar Myrdal, and both Russian and Chinese experts will comprise the group. Heinrich von Brentano, German Foreign Minister, has sent personal letters of invitation to the participants indicating high level interest in the German government.)

2) Leontief wishes to raise for preliminary discussion the question of further support for his economic research program at Harvard. He is now operating on a fairly stabilized budget of about \$100,000 a year which

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comes in equal parts from FF and RF grants which terminate June 30, 1962. He must make plans well in advance to liquidate his operation if he can not count on a continuation of support at this level. He wishes to initiate discussion now because he needs to have some indication of prospects before the Conference in Geneva next August (one of the major items on the Conference agenda is Planning for Greater International Cooperation in Research in Input-Output Analysis).

Leontief naturally hopes that support for his operation will continue. He looks toward greater development of input-output analysis in relation to economic development problems in underdeveloped areas. In this connection, he points out that Harvard will rebuild its strength in agricultural economics which is obviously indispensable to efforts to deal with the development problems of underdeveloped regions. (Karl Fox, who is Guest Professor this year might remain and some additional strength may be developed in order to permit extension of work on agricultural problems of other countries.

Leontief is also quite optimistic that the new administration in Washington will revive U.S. government interest and support in input-output analysis and lead to the development of more up-to-date and adequate input-output tables for the U.S. as well as hopefully some contract support for Leontief's group at Harvard.

Leontief is in touch with Henry W. Riecken, Assistant Director of the Division of Social Sciences, National Science Foundation, and will explore the question of assistance from that source. He is seeing people at FF this afternoon and is hopeful that his earlier difficulties in that quarter have been smoothed over and that prospects of renewal of their support are reasonably good.

3) He left a proposal for which he hopes we will provide a prompt grant of about \$15,000. He did not have time to discuss this proposal. WSS and LCD will examine and discuss it before consulting colleagues.

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