are presented in the chapters in this volume) are in line with projected capital outlays reflecting certain "aspiration standards"; and the public agency component of public facility capital requirements in 1970 are close to those projected on the basis of a survey of 50 States.

Moreover, the aggregate 1970 and 1975 estimates for public agencies are in line with the capital outlays projected in the growth models of GNP on the basis of past trends. (The latter are presented in the first chapter.) The GNP growth models project corresponding rises in State and local taxes from Federal financial assistance and from other resources. Consequently, it would appear that the State and local government portion of estimated public facility needs would not require any major alteration of State and local government fiscal resources.

Such a conclusion would appear to be at odds with predictions that growing demands on State and local governments for public services will require some reallocation of fiscal resources. Consequently, one must consider the possibility that (*a*) our estimates of public facility requirements are too conservative or (*b*) that the availability of future fiscal resources of State and local governments may be underestimated by those who suggest reallocation of resources, or (*c*) that public facility capital expenditures is only one element in a growing pattern of required public services, and that services, rather than facilities, will make the biggest demands in the future.

(*a*) It is conceivable that many of the chapter authors preferred to employ conservative judgments, especially since they were asked to state their underlying assumptions. Moreover, while backlogs of current unmet needs can be reasonably described, future needs may be more difficult to perceive, since the economic horizon of many analysts tends to be appreciably shorter than the 10-year period called for in the study. These factors, coupled with the arbitrary allocations among ownership patterns made in this study (when they were not provided in the particular chapters) may have contributed to a downward bias in the capital requirements estimates. But if this is so, it would have to be assumed that there were similar "downward biases" in the estimates made in the aforementioned NPA and "Project 70" studies, which would be a striking coincidence.

(*b*) Recent experience with Federal tax revenues has found that actual receipts exceed estimated revenues by considerable amounts. To some extent this underestimation may be due to lack of familiarity with the fiscal aspects of the "New Economics"; and to some extent it may be due to conservative methods of tax revenue estimation. The GNP growth model projections assume a continuation of the accelerated growth of the economy experienced during the past 5½ years, which suggests that our State and local tax resources will grow faster than the rate our "conventional wisdom" would cause us to expect.

(*c*) The present study is concerned with the Nation's public facility capital plant and its prospective growth. Hitherto, capital outlays have accounted for about one-fourth of State and local government expenditures. Most of the remaining State and local government expenditures represent outlays for public services. While a large part of these public services involve utilization of public facilities, it does not necessarily follow that future capital requirements for public facilities fully measure public service needs and possible expenditures.