

which I didn't state in the presentation, for example—the growth of urban activities. So that we not only have an age structure, but we also have a locational one. It is possible to refine the models so that the color-age structure problem can be included in the population workload if there is related expenditure data rather than as we included in scope and quality.

Mr. NETZER. Yes.

But I think in 1970 somebody might define it as part of workload.

Mr. KEGAN. Yes. But I think that this means total projections. I think both you and Representative Reuss, it seems to me, are hitting at something. The total projections are always going to have this problem of hiding very often the implications of the policy choices. What we have deliberately tried to do by our model is to highlight the policy choices by saying, "Now, once you say population structure is of this sort, the population workload, then you have the scope and quality."

Representative GRIFFITHS. How accurate have your projections been in the past?

Mr. HARRISS. The Tax Foundation has done nothing comparable to this study, at least not in the periods that I have been associated with it. I know of no precedents.

Mr. KEGAN. I would like to make a comment on what Dick Netzer has made a big point of, and that is these past projections as against reality. He did prepare the initial paper for CED, which was very helpful in our whole analysis. And there he did have a specific comparison of past projections, by people like Colm, Mushkin, Otto Eckstein, and actual changes. The specific comparison that you made there involved a comparison, as I think you will remember, of the actual changes which were in current prices against their projection in constant prices.

It is one thing to talk about specific programs, about what you have to do for slum clearance. Once you start saying that you are always going to be wrong. And there are always changes there that take place. But when you take a total which tries to recognize the overall claim on resources, and that there are limits, given productivity, given the labor force to what you can do in the growth of overall income, and what is available, therefore by allocating the resources in an aggregate way, in that sense both Otto Eckstein's and Gerhard Colm's predictions or projections were accurate.

Mr. NETZER. Dr. Mushkin, in addition to Mr. Kegan, claims that my earlier projections were accurate. I don't really believe this to be the case. I think that part of the price level increase here is a relative price level increase. That is, the prices paid by State and local governments, including salaries, have increased more rapidly than other prices. In part, this reflects the expanded scope and quality of State and local activities. To bid away resources from other uses, prices had to increase relative to the price level in general. Now, it is true that the Colm projections turned out to be reasonably accurate in the aggregate. However they included a wholly erroneous set of projections in connection with urban renewal; aside from that, they were conservative too, I think.

Representative GRIFFITHS. I would assume that this would be the year that would be the toughest to have their projections come out with any reasonable accuracy. Because I think that the events of the