

CHAPTER 2

Material Requirements for State and Local Public Works, 1946-75*

I. NEW CONSTRUCTION AND MATERIALS REQUIREMENTS

The value of building materials consumed in State and local construction rose ninefold between 1946 and 1965. Over this period, the value of new State and local construction increased only sixfold.¹ But, the significant factor in the upsurge of total consumption was the physical volume (constant dollar) increase in State and local construction of 300 percent.

Viewed in terms of the proportion of total State and local construction expenditures involved, building materials usage rose from 35 to 50 percent in these years. This increase in the relative importance of materials expenditures reflects advances in laborsaving technology, reductions in onsite labor requirements due to the increased use of prefabricated materials, and the faster growth of the more material intensive types of construction. It is not merely a reflection of price changes.

The backlog of postponed construction projects in the immediate post-World War II period set the stage for an upsurge in both private and publicly owned construction. During the war, new construction had almost come to a standstill, but maintenance and repair work of necessity continued to be strong. This work, however, while providing a limited market for building materials products, at the same time provided a base for maintaining capacity which was instrumental in fulfilling the materials requirements for new construction immediately after the war. Full capacity production levels were reached very quickly in the postwar period in most building materials industries. Significant price increases for many products were the inevitable result, especially for materials which were heavily dependent upon the booming residential market. Capacity-price pressures prevailed for some industries until the end of the Korean conflict in 1953, but since that time materials production has generally not been pressing capacity and price movements have not been primarily associated with this factor.

A. COMPONENTS OF NEW CONSTRUCTION GROWTH

In the first post-World War II year, 1946, the physical volume of new construction, both private and public, was more than double that of each of the preceeding 2 war years. Federal, State, and local con-

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¹ For purposes of this study, State and local construction does not include public housing, which, because of many special factors, lends itself to separate analysis. The State and local construction discussed in this chapter includes, however, federally aided as well as nonfederally aided work.