

struction constant dollar outlays in 1946 were about 15 percent of total new construction. Federal Government construction, however, dropped off somewhat with demobilization, but State and local outlays followed the pattern of private construction and many categories showed an enormous spurt between 1945 and 1946. For example, the value of public educational construction activity in constant dollars jumped by almost 50 percent, highways by 75 percent, and sewer and water by more than 75 percent, in only 1 year's time. All of these are primarily owned by State and local governments. One category which not only failed to show a construction spurt but actually dropped in real activity was hospitals where many projects appear to have encountered difficulties.

By 1953, the first post-Korean year, the public sector had grown to almost 30 percent of total new construction. Although dropping slightly in the next few years, since 1958 the public sector proportion remained relatively steady at 30 percent. The physical volume of all new public construction by 1965, was about 250 percent above that of 1947. State and local construction activity, up by about 300 percent was mainly responsible. In general, in the first few years after World War II, the most rapid period of growth for most types of State and local construction expenditures reflected a large backlog of unmet public works needs. This was an inheritance from the prewar depression years as well as from the restrictions of World War II. The stimulus due to the introduction of new programs of Federal aid was taking effect while State and local governments were showing major improvements in their financial condition. Between 1946 and 1949 Federal aid about doubled. Thus, Hill-Burton hospital construction assistance funds, which became available beginning in 1947, stimulated hospital construction to become one of the fastest growing categories of State and local public facilities. State and local hospitals showed an estimated fivefold increase between 1947 and 1949.

Educational construction, even without a comparable stimulus from Federal aid, increased fourfold between 1947 and 1949 and then began to slow down as the wartime backlog was partially eliminated. However, the growing school population as well as a high rate of population mobility, and housing development in suburban areas continued to stimulate school building. By the midfifties expenditures reached a physical volume peak (not surpassed until 1965) which was more than double the 1949 rate of outlays. Average annual growth over the 20-year period for new public educational facilities was the highest among all State and local construction categories (table 1).