softwood plywood to be more heavily used in the place of less fabricated materials will continue. Similarly, aluminum, glass, and plastics should continue to make inroads in the market for traditional materials.

Not to be overlooked is the important role which numerous Federal Government programs will play in stimulating private as well as public construction. Furthermore, actions through appropriate fiscal and monetary policies are likely to avoid sharp swings in the economy. These factors diminish the possibility of shortage or oversupply in the steel industry which requires by its very nature, long leadtimes for the planning and building of new facilities. Since the steel industry must make expansion decisions well in advance of demand itself, it can be expected to respond to a steady growth pattern to which current and future government policy is undoubtedly pointed.

Perhaps one of the big question marks is the effects of inflationary conditions on construction. Prices of building materials have risen about 40 percent over the past 20 years. In the next decade it would not be unreasonable to expect at least a 10–15 percent aggregate rise. Such a rise could, however, reflect mainly general price movements and result from cost-push type of pressures rather than the effects of inadequate capacity.

When one considers all the factors, it is difficult to avoid the conclusion that the construction materials industries should be able to meet the needs of future construction—as they have in the past—through innovation, product development, and increased productive capacity.

APPENDIX

Data for chart I: Capacity and price of portland cement, 1947–64

Year	Capacity	Price 1957–59=100	Year	Capacity	Price 1957–59=100
1947	78	60.9	1956	99	93.2
1948	84	68.7	1957	84	98.0
1949	83	70.6	1958	81	100.5
1950	87	72.1	1959	83	101.5
1951	91	77.7	1960	75	103.5
1952	89	77.7	1961	74	103.3
1953	93	81.5	1962	75	103.1
1954	94	84.4	1963	74	101.5
1955	100	87.7	1964	76	101.0

Source: "Business Statistics, 1965," Office of Business Economics, and Wholesale Price Index, Bureau of Labor Statistics.