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Michael Ricks works on a new Jeep Grand Cherokee. Strong factory orders have reinforced confidence in economic rebound

Factories, home sales rev up U.S. recovery

Economists hope manufacturing now can weather Europe storm

By Martin Crutsinger
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WASHINGTON — Orders for large manufactured goods rose sharply last month while sales of new homes surged with help from tax incentives, giving the economic recovery a jolt in April.

Demand for commercial aircraft lifted requests for durable goods 2.9 percent last month, the Commerce Department said Wednesday. That was the best showing in three months and more than double expectations.

Excluding transportation, orders fell 1 percent in April. But that came after the March figures were revised to show a 4.8 percent jump.

A durable good is a product that is expected to last at least three years.

A separate report from Commerce showed new single-family homes jumped 14.8 percent to a seasonally adjusted annual rate of 504,000 units. That followed a 29.8 percent surge in March, the biggest monthly jump in 47 years.

Housing sales were pushed by a stampede of buyers trying to sign sales contracts before tax credits expired on April 30. Historically low mortgage rates also helped fuel purchases. But sales are expected to slump as households deal with slow job growth and tight credit.

Manufacturing has held steady during the recovery. U.S. companies are benefiting from rising demand at home and in export markets.

There are concerns that a debt crisis in Europe could derail the global recovery. Financial markets have been roiled in recent weeks by fears that the problems facing Greece could spread to other heavily indebted European countries, such as Spain and Portugal.

But economists say the U.S. manufacturing industry may be strong enough to weather Europe's troubles.