

A welcome sight



Shipping containers are loaded at the Port of Boston. Businesses ordered more big-ticket items in August, a sign they aren't cutting back. STEVEN SENNE/AP

Some big-ticket orders up in August

Businesses appear to be sticking with their expansion plans

By Christopher S. Rugaber

The Associated Press

WASHINGTON — Businesses ordered more computers, communications equipment and other big-ticket items in August, a sign they are pushing ahead with expansion plans despite weak growth.

Orders for capital goods, which are considered a good measure of business investment, rose 0.9 percent in August, the Commerce Department said Tuesday. It was the second gain in three months.

Overall factory orders fell 0.2 percent, after rising a revised 2.1 percent in July. Orders for autos and auto parts fell, dragging down the overall total. But that comes after automotive

orders jumped by the most in eight years in July. Automakers are returning to full production after output was interrupted by Japan's March 11 earthquake.

Economists pay close attention to orders for capital goods, which exclude volatile demand for defense or transportation goods.

Businesses typically order more industrial machinery and other capital goods when they are confident in the economy.

Businesses appeared to be sticking with expansion plans at a difficult time. The stock market has fluctuated wildly, Europe's debt crisis has intensified and a raft of data show the economy may be vulnerable to another recession.

Several reports Mon-

day suggested the economy is growing but not enough to lower the unemployment rate, which is at 9.1 percent.

Manufacturing expanded at a faster pace in September than August, a private-sector survey found. Production, export orders and employment all rose last month, according to the Institute for Supply Management. New U.S. orders shrank for the third straight month, a bad sign for future production.

Construction spending rose 1.4 percent in August, the Commerce Department said. Much of the gain stemmed from a big jump in state and local government spending on roads, schools and other public projects. With those governments facing big budget gaps, such gains aren't likely to continue.

Both home building and commercial construction rose.