

WASHINGTON (AP) — The government index designed to show futures trends in the economy increased 0.5 percent in July, the 17th straight month it has pointed upward, the commerce department reported Friday.

The 17-month gain is the longest since it rose for 20 consecutive months from December of 1953 through July of 1955.

Known as the composite index of leading indicators, the index has shown continuing strength even though other government indexes — on prices, economic growth and employment — have turned sluggish.

It likely will lend support to Ford administration arguments that the economy still is growing, although it may be growing slower. Some economists out of government have wondered whether the economy may be braking to a halt again.

The commerce department said the indicators index, which is based on 12 statistical measures of the economy, rose to 109.5 in July. The 0.5 percent gain was over a revised June index that showed a 0.9 percent increase over May, instead of the 0.3 percent gain reported earlier.

The major strength in the July index, the agency said, was in the increase in building permits, which grew sharply during the month.

Other positive statistics were a reduction in the job layoff rate, increases

in contracts and orders for plant and equipment, rising stock prices, the money supply and net business formation.

On the negative side were statistics for the average work week, delivery time for ordered goods, changes in liquid assets, changes in sensitive prices

and new orders for manufactured and
consumer goods.