

Document 0036

[20036001]

In another reflection that the growth of the economy is leveling off , the government said that orders for manufactured goods and spending on construction failed to rise in September .

[20036002]

Meanwhile , the National Association of Purchasing Management said its latest survey indicated that the manufacturing economy contracted in October for the sixth consecutive month .

[20036003]

Its index inched up to 47.6 % in October from 46 % in September .

[20036004]

Any reading below 50 % suggests the manufacturing sector is generally declining .

[20036005]

The purchasing managers , however , also said that orders turned up in October after four months of decline .

[20036006]

Factories booked \$ 236.74 billion in orders in September , nearly the same as the \$ 236.79 billion in August , the Commerce Department said .

[20036007]

If not for a 59.6 % surge in orders for capital goods by defense contractors , factory orders would have fallen 2.1 % .

[20036008]

In a separate report , the department said construction spending ran at an annual rate of \$ 415.6 billion , not significantly different from the \$ 415.8 billion reported for August .

[20036009]

Private construction spending was down , but government building activity was up .

[20036010]

The figures in both reports were adjusted to remove the effects of usual seasonal patterns , but were n't adjusted for inflation .

[20036011]

Kenneth Mayland , economist for Society Corp. , a Cleveland bank , said demand for exports of factory goods is beginning to taper off .

[20036012]

At the same time , the drop in interest rates since the spring has failed to revive the residential construction industry .

“ What sector is stepping forward to pick up the slack ? ” he asked .

“ I draw a blank . ”

By most measures , the nation 's industrial sector is now growing very slowly - if at all .

Factory payrolls fell in September .

So did the Federal Reserve Board 's industrial-production index .

Yet many economists are n't predicting that the economy is about to slip into recession .

They cite a lack of “ imbalances ” that provide early warning signals of a downturn .

Inventories are closely watched for such clues , for instance .

Economists say a buildup in inventories can provoke cutbacks in production that can lead to a recession .

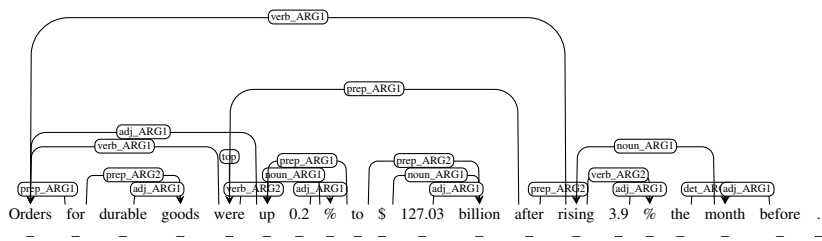
“ This conforms to the ‘ soft landing ’ scenario , ” said Elliott Platt , an economist at Donaldson , Lufkin & Jenrette Securities Corp .

“ I do n't see any signs that inventories are excessive . ”

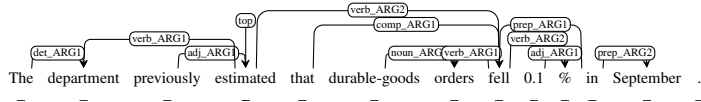
A soft landing is an economic slowdown that eases inflation without leading to a recession .

The department said orders for nondurable goods - those intended to last fewer than three years - fell 0.3 % in September to \$ 109.73 billion after climbing 0.9 % the month before .

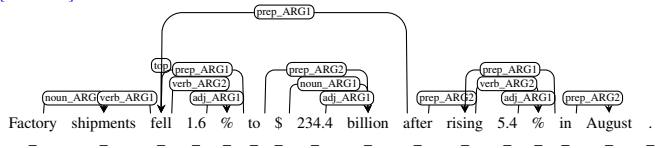
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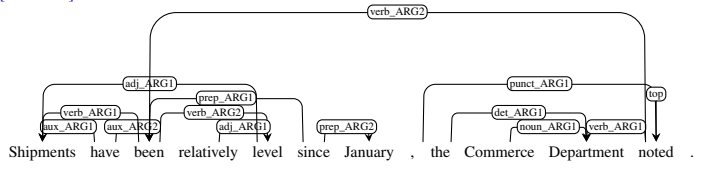
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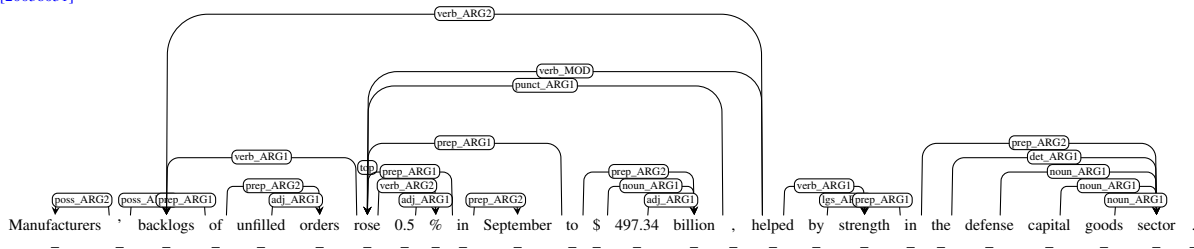
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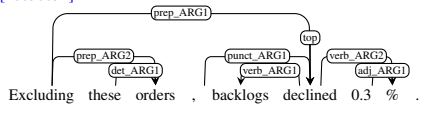
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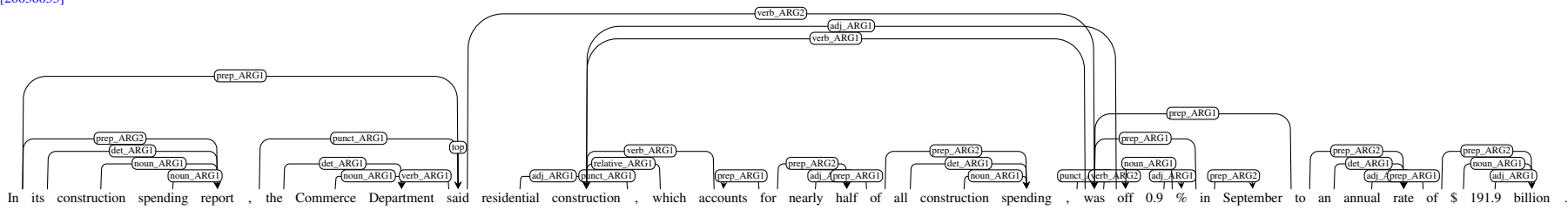
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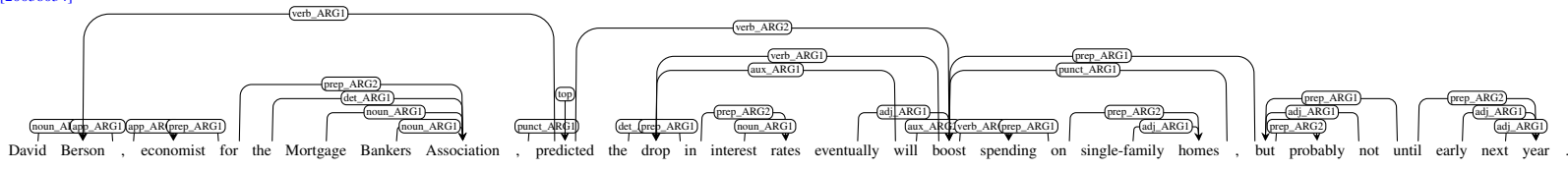
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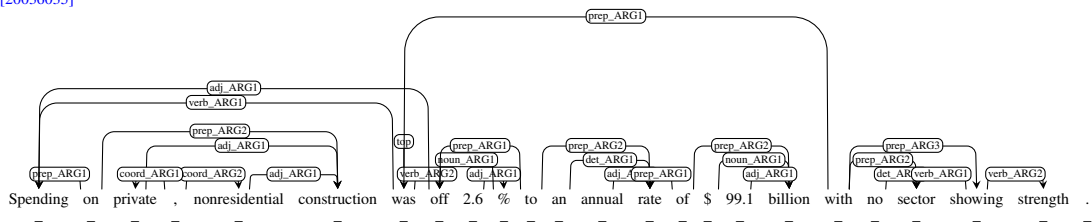
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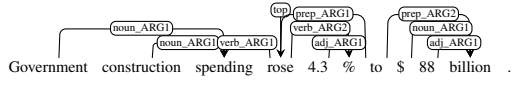
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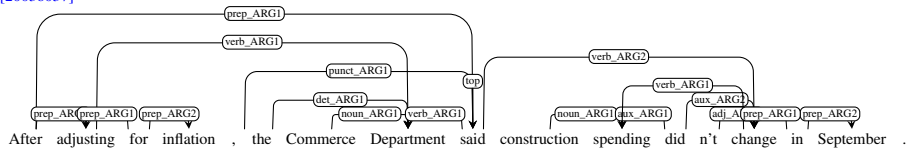
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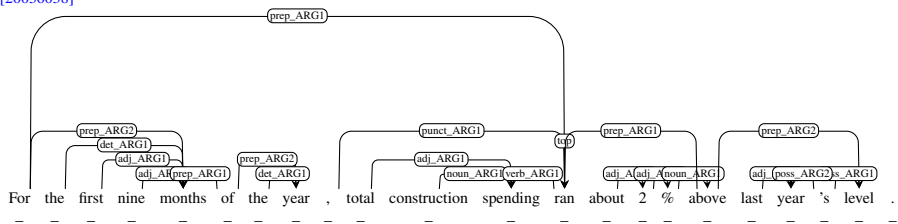
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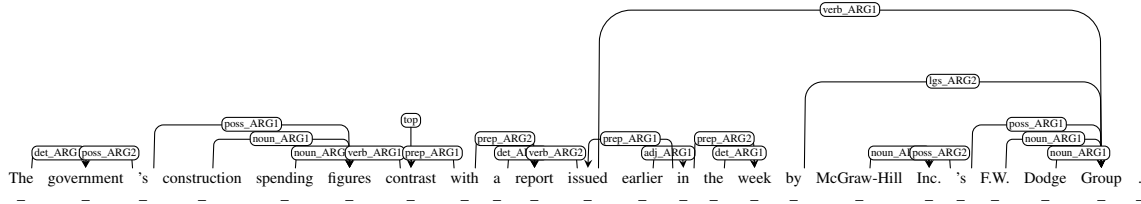
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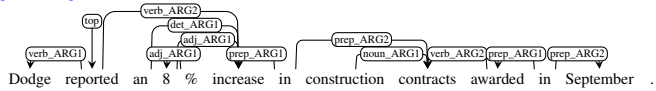
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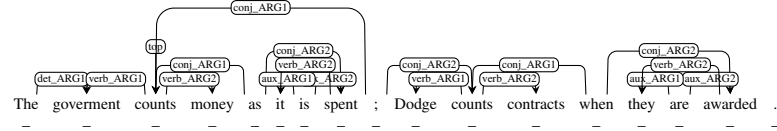
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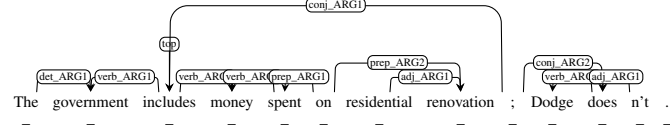
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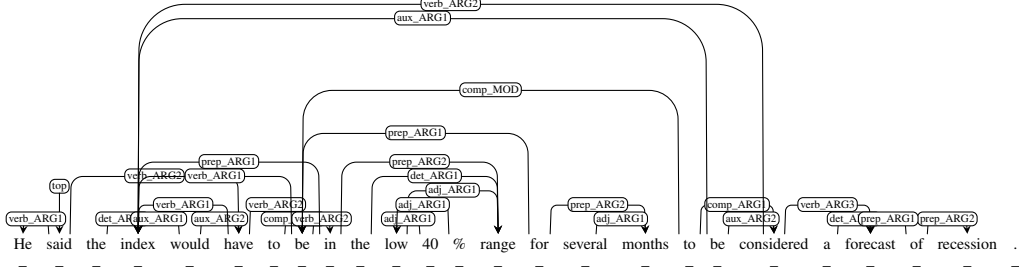
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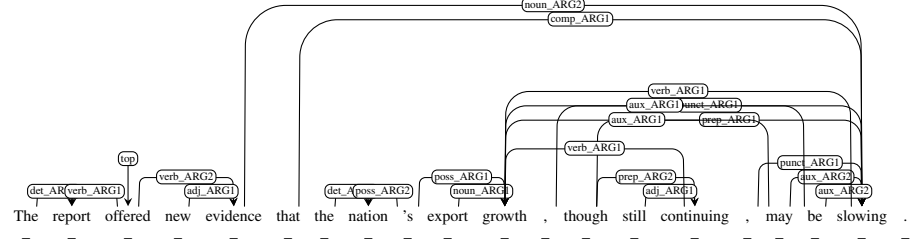
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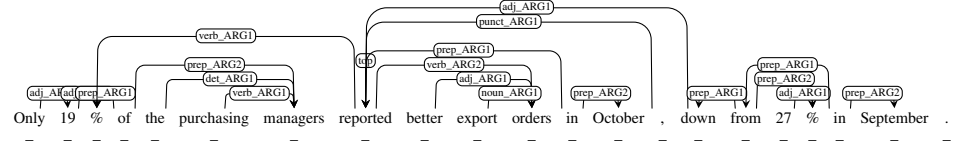
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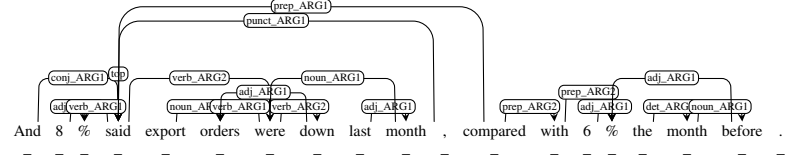
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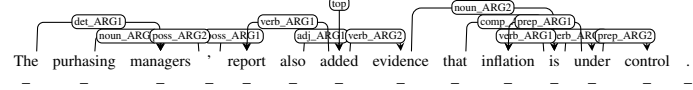
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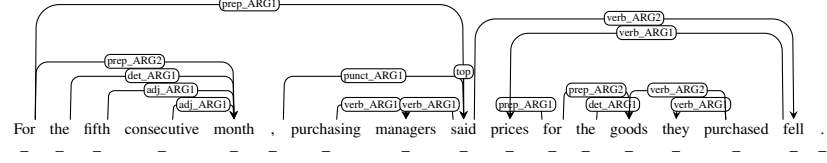
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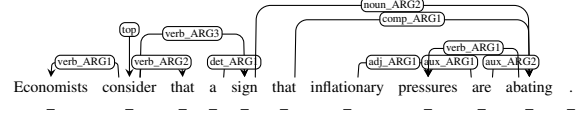
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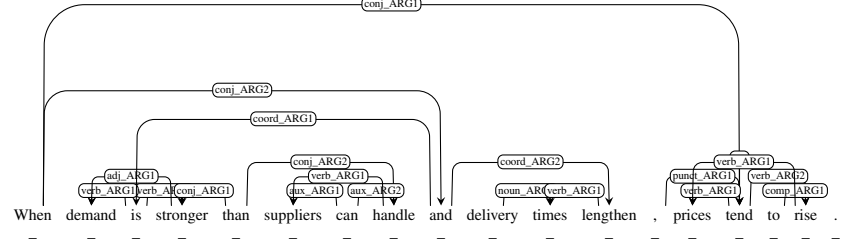
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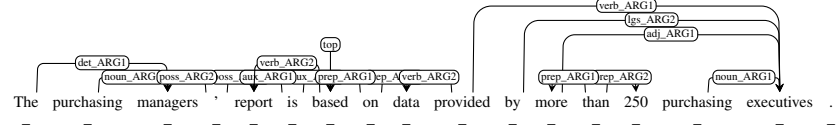
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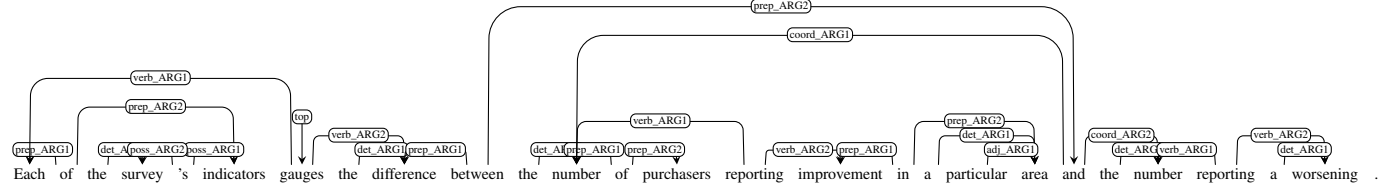
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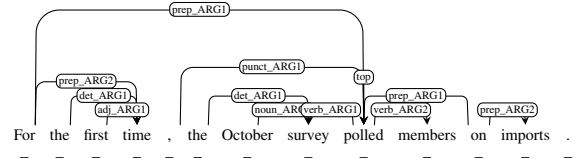
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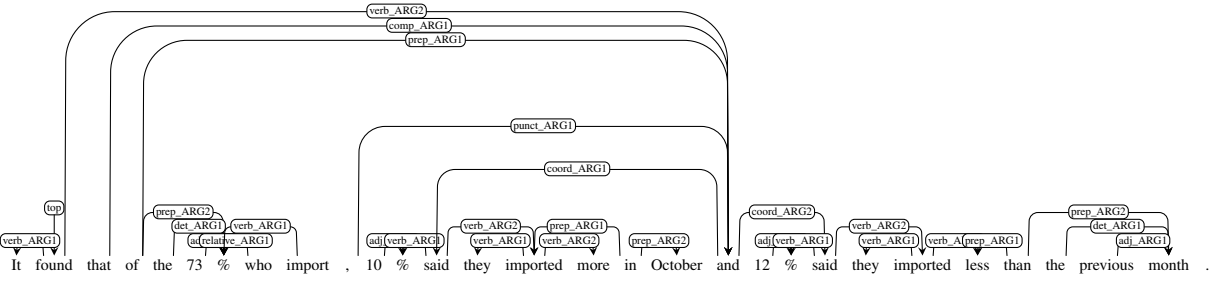
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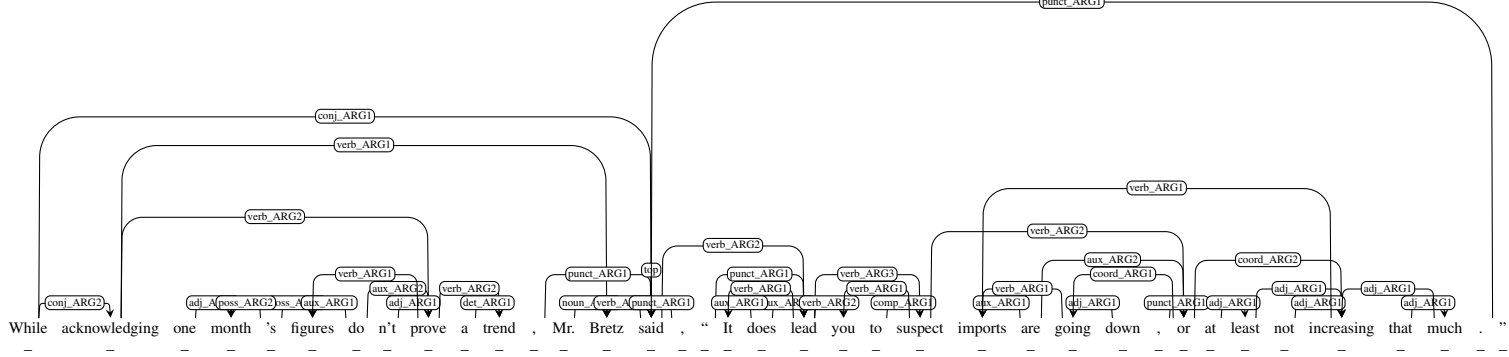
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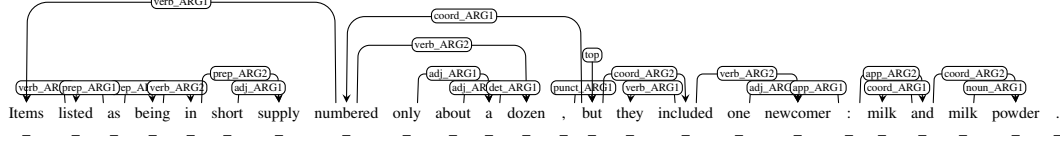
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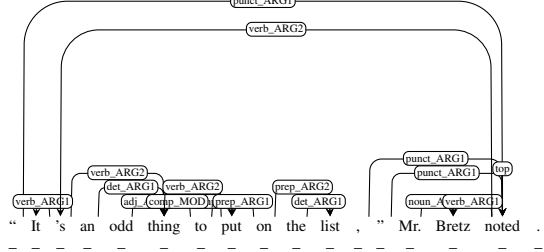
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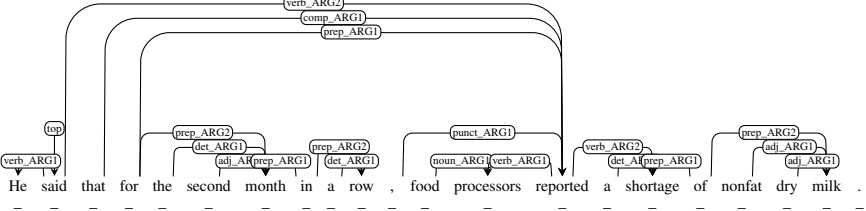
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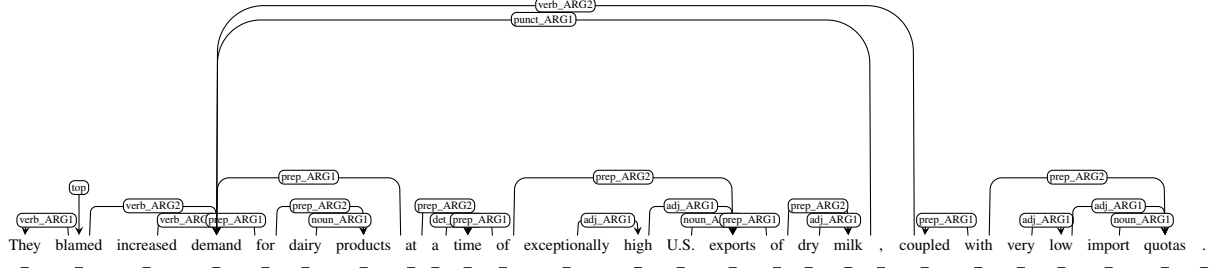
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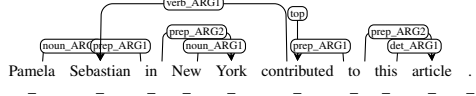
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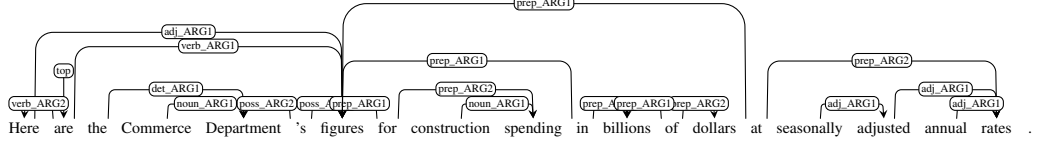
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