Greenville News

The Journal 4/15/2010

Bernanke confident about recovery, wary about deficit

BY JEANNINE AVERSA
ASSOCIATED PRESS

WASHINGTON — Federal Reserve Chairman Ben Bernanke told Congress on Wednesday that he has confidence the unfolding economic recovery will have staying power, although it won't be strong enough to bring quick relief to high unemployment.

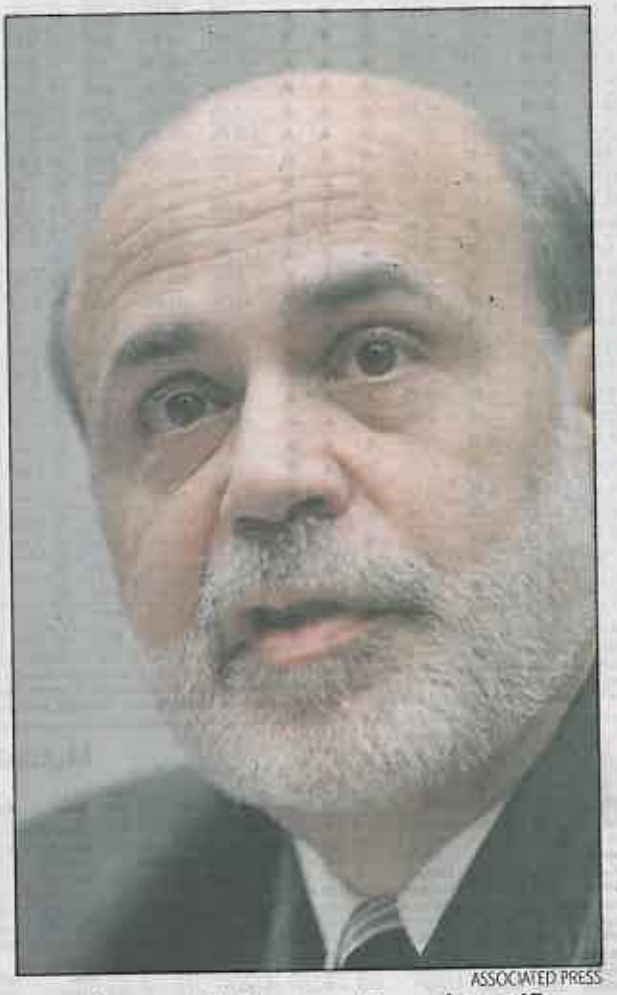
Bernanke, testifying before Congress' Joint Economic Committee, also once again called on lawmakers and the White House to come up with a plan to whittle down record-high budget deficits.

Even though sizable deficits right now are "unavoidable" given the damage wrought by the recession, the persistence of red ink raises risks to the country's long-term economic health, he said.

A credible plan to pare the deficit could provide the economy with benefits in the near term, including lower longer-term interest rates and increased consumer and business confidence, Bernanke told lawmakers.

"Addressing the country's fiscal problems will require difficult choices, but postponing them will only make them more difficult," he warned.

On the economy, Bernanke seemed slightly more optimistic that the fledgling recovery will keep on going after massive government stimulus fades later this year.



ASSOCIATED PRESS

Federal Reserve Chairman Ben Bernanke testifies on Capitol Hill in Washington before the House Financial Services Committee hearing on unwinding emergency federal reserve liquidity programs and implications for economic recovery.