

Bernanke predicts growth in next 6 months

By Martin Crutsinger

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WASHINGTON — Federal Reserve Chairman Ben Bernanke noted Tuesday that the job market and the economy have weakened in recent weeks. But he said the main reasons are higher gas prices and the Japan crises — factors that

should ease in coming months— and predicted growth would strengthen later this year.

Bernanke made no mention of any new steps the Fed might take to boost the economy. The Fed's \$600 billion Treasury bond-buying program is ending this month. The program was intended to

keep interest rates low to strengthen the economy. But critics said it raised the risk of high inflation.

The Fed chairman said the economy still needs the benefit of low interest rates.

Stocks fell after Bernanke began speaking. The Dow Jones industrial average erased gains

made earlier in the day and close down for the fifth straight day, as did broader indexes.

Bernanke noted the May jobs report released last week was disappointing. It showed the unemployment rate rose to 9.1 percent and the economy added just 54,000 jobs, the fewest in eight months.

"Overall, the economic recovery appears to be continuing at a moderate pace, albeit at a rate that is both uneven across sectors and frustratingly slow from the perspective of millions of unemployed and underemployed workers," Bernanke said to an international banking conference in Atlanta.