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Bernanke reconfirmation to Fed seen assured

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Federal Reserve Chairman Ben S. Bernanke, who has received bipartisan condemnation from Capitol Hill for his handling of the economy, is likely to get an earful from senators during his reconfirmation hearing Thursday.

But when the tongue lashing quiets, expect the former Princeton University professor to keep his job, most political experts say.

"He's going to get battered, beaten and bruised at these hearings, but ultimately, Bernanke should get the votes he needs to return to the helm of Fed," said Travis Larson, senior vice president at Financial Dynamics, a public affairs firm specializing in the financial services industry.

Mark Calabria, an economics expert at the Cato Institute, a libertarian Washington think tank, agreed that Mr. Bernanke's reconfirmation is almost assured.

"I think he clearly has 51 votes (in the Senate), and more than likely 60 votes for him," he said. "I consider his confirmation to be a done deal."

Still, the chairman will face much tougher scrutiny from the Senate compared with four years ago, when he cruised to confirmation.

While genuine frustration exists on the panel regarding Mr. Bernanke's handling last year of the economic meltdown, many on the panel may use the hearing to score political points over the publicly unpopular \$700 billion Wall Street bailout, which the Fed chairman helped engineer.

"He's been beat up, and some of it is deserved, and now members (of Congress) are taking

political advantage of blaming Bernanke," said a Wall Street lobbyist who wasn't authorized to speak with the media. "They're offering up Bernanke as the scapegoat."

Senate Banking Committee Chairman Christopher J. Dodd, Connecticut Democrat, eager to distance himself from accusations that he is too cozy with Wall Street, is expected to moderately grill Mr. Bernanke.

Mr. Dodd hasn't said if he would vote for Mr. Bernanke's reconfirmation. But, when President Obama nominated the chairman in August for a second term, Mr. Dodd at the time said that "while I have had serious differences with the Federal Reserve over the past few years, I think reappointing Chairman Bernanke is probably the right choice."

Mr. Calabria said he thinks Mr. Dodd "is halfway sympathetic" to Mr. Bernanke. "What you're going to see from Dodd is, 'how do I look like I'm mad enough so I can get enough of a concession so I cover myself' " politically and vote for Mr. Bernanke's reconfirmation?

Yet Mr. Bernanke does have influential allies in the Senate, including Sen. Charles E. Schumer, New York Democrat.

"I expect to see Schumer come out and give him almost a hug and a kiss on the lips," Mr. Calabria said. "This is the guy who saved Wall Street."

Mr. Bernanke also has the backing of Wall Street.

"Economically speaking, he's rock solid," the lobbyist said. "Let's say you get rid of Bernanke - who are you going to replace him with? Nobody. And even if you could, why would you change horses in midstream?"

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