

Bernanke: Economy should grow again later in 2009

WASHINGTON—Federal Reserve Chairman Ben Bernanke told Congress Tuesday, May 5, the economy should start growing again later this year, his most optimistic assessment of the country's financial health since the recession struck with force last year.

But Bernanke warned that even after a recovery gets underway, economic activity is likely to be subpar. That means businesses will stay cautious about hiring, driving up the nation's unemployment rate and causing "further sizable job losses" in the coming months, he told the Joint Economic Committee.

The recession, which started in December 2007, already has snatched a net total of 5.1 million jobs. The unemployment rate "could remain high for a time, even after economic growth resumes," Bernanke said.

But while some economists believe unemployment could hit 10 percent by the end of this year, the Fed doesn't share that view. The unemployment rate will probably climb "somewhere" in the 9 percent range, Bernanke said.

"The loss of jobs is one of the most distressing aspects of this whole episode," he said.

Even with all the cautionary notes, the Fed chief offered a far less dour assessment of the economy.

"We continue to expect economic activity to bottom out, then to turn up later this year," he told lawmakers. "We expect that the recovery will only gradually gain momentum."

Recent data suggest the recession may be loosening its grip on the country, Bernanke said.

"The pace of contraction may be slowing," he said. It was similar to an observation the Fed made last week in deciding not to take any additional steps to shore up the economy.

The housing market, which has been in a slump for three years, has shown some signs of bottoming, he said. Consumer spending, which collapsed in the second half of last year, came back to life in the first quarter.

In the months ahead, consumer spending should be lifted by tax cuts contained in President Barack Obama's larger \$787 billion stimulus package. Still, rising unemployment, sinking home values and cracked nest eggs will still weigh on consumers' willingness to spend freely, Bernanke said.

Bernanke took some heat for the Fed's decision not to hasten the implementation of new rules to protect Americans from abusive credit card practices, as some lawmakers had requested. The Fed's rules take effect in July 2010.

Rep. Elijah Cummings, D-Md., said many Americans burned by the recession have watched banks and other companies get bailed out and feel like: "Hey, we're on fire, too. What about us?"

But in the latest sign the downturn could be easing, activity in the services sector contracted at a slower pace in April, the Institute for Supply Management reported Tuesday, May 5. Its service sector index came in at 43.7 in April, up from 40.8 in March. Any reading below 50 indicates the service sector, where most Americans work, is contracting.

Meanwhile, business investment remains "extremely weak," and conditions in the commercial real estate market are "poor," the Fed chief said.

Still, Bernanke said he was hopeful that factory production would pick up later this year to replenish stockpiles of goods that have been slashed. And there's been tentative signs that the declines in other countries' economic activity may be moderating, which could help sales of US exports. They have been falling sharply, a key factor behind the drag on US manufacturing, he said.

Private analysts are predicting the economy won't shrink nearly as much as it had been—anywhere from a pace of 1 to 3 percent—in the current quarter. As Obama's economic stimulus package of tax cuts and increased government spending takes hold, analysts think the economy could start growing again in the third or fourth quarter of this year.

The economy's rate of decline

topped 6 percent in both the final three months of 2008 and in the first quarter of this year. It marked the worst six-month performance since the late 1950s.

Many economists expect the jobless rate will jump to 8.9 percent in April from a quarter-century high of 8.5 percent in March as employers slash hundreds of thousands more jobs. The government releases that report on Friday, May 8.

On the financial front, Bernanke said there have been signs of improvements in easing some credit stresses. However, financial markets remain under considerable strain.

As Bernanke has said in the past, the Fed's forecast for a recovery hinges on the government's ability to gradually repair the financial system.

"A relapse... would be a significant drag on economic activity and could cause the incipient recovery to stall," he warned.

Bernanke didn't provide details about how 19 large banks fared on "stress tests." Results, to be released Thursday, May 7, should shed light on which banks may need government support if the recession were to worsen.

Bernanke said there are "significant opportunities for capital raising outside government programs," and that many banks should be able to do so by selling assets or taking other steps.

The International Monetary Fund estimated that \$275 billion more in capital would be needed to cushion against further losses at US banks. While refusing to provide any numbers, Bernanke said he thought the IMF's figure overestimated any additional capital needs.

Responding to lawmakers' concerns about secrecy in its lending and bailout programs, Bernanke said the Fed will start providing information on the number of borrowers under each plan, details of credit extended and information on the collateral put up for the loans.

But Bernanke didn't say the Fed would release the identity of borrowers, something lawmakers have pushed for. (AP)

Filipinos in Las Vegas at center of Asian Heritage celebration

PAGE A1 ◀

proclamation for her and for NaFFAA is an honor for the Filipino community.

"We hope you will recognize NaFFAA, the voice of all Filipinos, one voice here in America," she said.

NaFFAA is a non-partisan, non-profit national affiliation of more than 500 Filipino-American institutions and umbrella organizations. Its core mission is to empower Filipinos in the United States.

The organization has been initiating several projects that promote and help solve issues of Filipino communities throughout the country.

Earlier this year, NaFFAA initiated employment fairs and foreclosure-prevention seminars in Las Vegas to help Filipinos in the city that were hit by the recent wave of lay-offs and home foreclosures.

Aside from her role in NaFFAA, Lee is also a member of the National Asian Pacific American Media Coalition that grades media networks on diversity issues.

Through the television programs that she produced in Las Vegas, Lee created awareness of the cultures of Asian and Pacific American in the mainstream media.

Earlier in her career, Lee was founding chair of the board of the Las Vegas Asian Chamber and was a former president of the Las Vegas chapter of the Asian Pacific American Labor Alliance.

The Asian American and Pacific Islander Heritage (AAPI) month has been celebrated yearly in the United States since 1977. May was the month chosen in commemoration of the anniversaries of two key events in US history.

These are the immigration of the first Japanese to the US, as well as the completion of the transcontinental railroad where majority of workers who laid the tracks were Chinese immigrants.

At the Las Vegas celebration last Wednesday, April 29, Councilman Wolfson noted that Asian and Pacific Islander communities in this city "add to the color, culture, and diversity of our city."

"This is very evident in Chinatown on Spring Mountain Rd. and Little Manila on Charleston Blvd," he said.

Wolfson added, "Less evident but equally important are the various social and cultural groups in churches and neighborhoods which strive to keep

culture and language alive."

The AAPI community in Nevada is diverse -representing the cultures of the Philippines, China, Vietnam, Korean, India, and many other Asian and Pacific nations, Nevada Senator Harry Reid, meanwhile, said in a statement.

Nevada has the sixth highest Asian-American population in the country. Sen. Reid said these communities represent second generation Americans "for whom home has always meant Nevada."

"Each group and each new generation brings a promise of a stronger, more vibrant state," he said in his statement.

"I am privileged to represent such a vibrant AAPI community in my home state of Nevada and I will continue fighting for measures that are important to all of us," he added.

Sen. Reid pushed hard for the passage of legislation that brings honor to Filipino veterans who served during World War II under the American flag by providing due compensation for their service.

For his part, Nevada Senator John Ensign in a statement said, "We are a better state and country because of the countless contributions of Asian and Pacific Americans, and I consider my Filipino heritage as a sense of pride."

Sen. Ensign's paternal grandfather was born in the Philippines and is half-Filipino, making the junior Nevada senator one-eighth Filipino.

Filipinos living in the United States are estimated at 3 million, a close second to Chinese Americans, according to a 2007 American Community Survey. Asians comprise about 5 percent of the US population and is considered the fastest-growing minority group in the country.

At the AAPI celebration last Wednesday, April 29, Filipino cultural songs and dance numbers were performed by the Filipiniana Cultural & Arts Foundation at city hall. The dance troupe was formed recently to promote Philippine heritage and culture in Las Vegas.

Meanwhile, faculty and staff members and a student from the College of Southern Nevada in Las Vegas were also cited for excellence during the AAPI celebration.

Luminada Dioquino, Vitaliano Figueroa, Connie Christensen, Dr. Caryl Suzuki, and Christine Valdez were given awards for their academic

'HappySlip' campaign reaps dividends for RP

PAGE A1 ◀

excellence for its online marketing program for the most outstanding public relations tool—the second straight time the department has been recognized by Anvil for innovative marketing.

The "HappySlip Blogs" campaign leveraged the power of Internet videos and the popularity of Gambito to capture the interest of second- and third-generation

Americans and Canadians.

This eventually enticed "thousands" of North Americans to explore the Philippines and its destinations, book travel packages and return to the country with their families and friends, DOT said.

Last year, tourist arrivals from the US were reported at 578,246 or 18.42 percent of the total tour-

ist arrivals for that year. Tourists from Canada reached 102,381 for a 3.26-percent share. All told, the North American market produced 680,627 tourists for the Philippines in 2008.

According to DOT estimates, total tourists from the US generate for the country on the average \$48.57 million per day in tourist receipts. ■



REEVES & ASSOCIATES

A PROFESSIONAL LAW CORPORATION

The Leading & Most Trusted Immigration Law Firm in the U.S.



JEFF L. KHURGEL

FLOMY J. DIZA

NANCY E. MILLER*

MAY ZHANG

JOSEPH I. ELIAS

JEREMIAH JOHNSON

ROBERT L. REEVES*

THE FIRM'S PARTNERS

* CHOSEN BY THEIR PEERS AS SUPER LAWYERS FOR 2006, 2007, 2008 AND 2009

15 Attorneys Devoted Exclusively to the Practice of Immigration Law
It Doesn't Have to Cost More to Hire the Very Best.

free in-office consultation

(702) 227-9888
www.reeves.com

LOS ANGELES - SAN FRANCISCO - LAS VEGAS - MANILA