

Bush, economic advisers to meet

by UPI

WASHINGTON -- U.S. President George Bush and his economic advisers are meeting Thursday amid a week of troubling news on a number of economic fronts. Concerns were growing that the economy was entering or already in a recession and that inflation was heating up, spurred by high gasoline prices as well as rising prices for wheat and corn -- used to make ethanol -- as demand increases for fuel alternatives. Meanwhile, Federal Reserve Chairman Robert Bernanke was to return to Capitol Hill for a second day of testimony on his semiannual Monetary Policy Report before the House Committee on Financial Services. The Fed has revised downward several economic projections for the coming months, with Bernanke saying the economic situation "has become distinctly less favorable since the time of our July report." Bernanke has expressed a willingness to consider further interest rate cuts despite the inflation picture. Two major indicators showed continued softening of the economy. New home sales figures for January slid 2.8 percent. Orders for durable goods also fell 5.3 percent in January after posting gains for two previous months.

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