

The new Republican chairman of the House subcommittee that oversees the Federal Reserve said Tuesday he “couldn’t disagree more” with the Fed chief Ben Bernanke’s desire to eliminate the debt ceiling but added that Bernanke’s comments did not start their relationship off on the wrong foot.

“I think he’s a good person and we have a very good relationship, but that doesn’t mean I can’t disagree (with him) -- and I completely disagree with that,” said Rep. John Campbell, (R-CA)

the new chairman of the subcommittee on domestic and international policy of the House Financial Services Committee.

“The debt limit—I look at it as like a credit card limit. It is a discipline. It is a discipline that requires (Congress) to think about the money (it’s) borrowing...I think that discipline is very necessary.”

Campbell’s remarks signal he could have a less contentious relationship with Bernanke than **Campbell’s**

predecessor, Rep. Ron Paul (R-TX), who retired from Congress last year. Paul, a former Republican presidential candidate, was a strident Bernanke critic and Fed basher who repeatedly introduced legislation to limit the Fed’s powers.

In remarks in Michigan on Monday on the ongoing fiscal battle between Congress and the White House, Bernanke said the debt ceiling has “got symbolic value,” noting “essentially no other countries” make it part of their budget process, and that “I think it would be a good thing if we didn’t have it.”

“I don’t think that’s going to happen and I think it’s going to be around,” Bernanke added, “But I do hope that Congress will allow the government to pay its bills, not raise the possibility of default, which would be very, very costly to our economy.”

In December, President Obama effectively proposed doing away with the debt ceiling by replacing the current legal requirement for Congressional approval of increases with a more technical legislative process that would make it hard for Congress to block future hikes. Republicans rejected the proposal, as they did Bernanke’s comments Monday.

In an interview with FOX Business—and in his first remarks about Bernanke since becoming subcommittee chairman - **Campbell** said he did not necessarily view Bernanke’s statement as an intentional endorsement of the President’s proposal – the Fed chairman has stated repeatedly that the central bank tries to steer clear of political battles.

Rather, **Campbell** speculated Bernanke may have made his remarks “**perhaps out of frustration**” with the difficult fight over deficit reduction, one of Bernanke’s major concerns, “**which is fully understandable—that we’re not doing some of the things that would, frankly, make his job easier—if we had a better fiscal policy.**”

“**So I don’t know if it’s out of that-- or out of what—but I disagree with the President on this...I disagree with the chairman on this,**” **Campbell** said. “**It’s OK. Every once in a while, (Bernanke) agrees with us.**”

On Monday, Bernanke called on Congress to raise the debt limit once again to avoid hurting the fragile economic recovery but said it should be disconnected from the budget debate.

“I’m not saying that deficits and debts are a good thing--I’m not saying that at all,” Bernanke said. “But the way to address it is by having a sensible plan for spending and a sensible plan for revenue, and make decisions about how big the government should be or how small it should be...We don’t need to do it in the context of the debt ceiling.”

Campbell said he agreed with Bernanke that the fight over the debt limit could disrupt financial markets and hurt the economy but said he is willing to take that risk to help reduce government spending and debt.

“**He’s right, it causes those things,**” **Campbell** said. “I don’t want it, but I will accept some temporary, short-term, controllable disruption in the markets now in order to avoid a longer term, permanent, uncontrollable, major disruption--collapse-- in markets in the future, when markets finally turn on Treasury debt because we have too much borrowing.”

Campbell said he has not spoken to Bernanke since assuming the chairmanship of the subcommittee earlier this year.

House and Senate Democratic committee leaders with Fed supervision did not respond to requests for comment on Bernanke's debt ceiling remarks. A spokesperson for the top Republican on the Senate Banking Committee, Sen. Mike Crapo (R-ID), said he was traveling and not available for comment.