In Third Democratic Debate, Candidates Avoid Talking About The Economy Even As They Claim A Recession Looms

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Ten Democrats took the stage at Texas Southern University in Houston Thursday night for the third Democratic presidential primary debate. In a policy-driven debate, candidates focused on health care, criminal justice reform, and the environment.

As a possible recession looms around the corner, however, Democrats largely ignored it, instead doubling down on promoting massive programs that will require a deep spike in taxes among Americans of all incomes, though most candidates made impossible promises only to raise taxes on the wealthy.

The word “economy” was mentioned during the debate a total of only seven times, and the word “recession” was muttered only once, according to a transcript of the event from the Washington Post.

Yet while Democrats remained focused on a government takeover of health care and who is best suited to take on President Donald Trump next fall, several economic indicators show a serious threat that the American economy is reeling toward recession.

A quick glance at the yield curve, which has predicted every recession for the past 50 years, shows the possibility of another recession surfacing in the near future. When the yield curve becomes inverted, or in other words, when rates on short-term Treasury securities are higher than rates on
long-term ones, which has been the case for several months now, recession appears likely to occur.

Campbell Harvey, a professor of finance at the Fuqua School of Business at Duke University who is known as the “Godfather” of the inverted yield curve, said the curve has been sounding the alarm of a recession on its way.

“I have gone on the record to issue a recession code red,” Campbell told Fortune. “Growth will slow, according to my model.”

Other economic indicators also show serious signs of a recession looming.

U.S. manufacturing has been slowing down, and corporate profit margins have also declined to levels not seen since the end of the last downturn.

Unemployment and layoff rates also remain relatively low, and a newly released report Friday morning from the Commerce Department shows consumer confidence remains high, with U.S. retail sales in August exceeding expectations.

As Trump’s trade war progresses, however, with adverse impacts on an American economy wavering on the path of recession, the Federal Reserve is still expected to announce a cut on interest rates next week.

Democrats criticized Trump’s trade war with China Thursday night but said nothing about the threat of the coming recession, nothing about the national debt, and nothing about the nation’s growing deficits.

Meanwhile, Democrats pushed progressive programs that would drastically raise spending to unseen heights and widen the deficit, and the moderators never pushed the candidates about the costs of their programs.

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