



## Peter Schiff and Megyn Kelly: This Recession Is Just Getting Started

### Description

**USA: GDP fell 0.9% in the second quarter. This followed on the heels of a -1.6 GDP print in Q1. Back-to-back contractions in GDP have historically been defined as a recession, but the Biden administration and their apologists insist we aren't in a recession. Peter Schiff appeared on the Megyn Kelly show to talk about the White House recession spin. He said this recession is just getting started.**

The mantra from the White House is that two consecutive quarters of negative GDP isn't the "technical" definition of a recession and that the economy is just entering into "another phase of recovery." Peter said, "I guess they believe if you repeat a lie often enough, people will believe it."

But imagine if Donald Trump had tried to do the same thing.

Do you think the media would go along with that?"

Peter emphasized that two negative quarters are "just a minimum for a recession."

We're going to get a third negative quarter. We're going to get a fourth negative quarter. We're going to be seeing contracting GDP for years. This recession is just getting started."

And the increase in unemployment is coming.

People who are pointing to the low unemployment rate and saying this means we're not in a recession, that's nonsense. Unemployment is a lagging indicator. The unemployment rate is going to rise as the recession continues."

Furthermore, the labor market isn't strong.

We have a very weak labor market. Real wages are collapsing. Wages have never really fallen this much in real terms in history. That is a weak labor market. When you have a

strong labor market, workers can demand raises. They have power. They can go to their bosses and say, 'I want more money or I'm going to quit and take another job.' That's not happening. Workers are being forced to work for pay cuts. In fact, a lot of workers are taking second jobs and third jobs because they can't make ends meet on their main job. That is a weak labor market."

Megyn read quotes from a number of Biden administration officials in the past saying two quarters of negative GDP growth is the definition of a recession and then saying the exact opposite in the last week. Peter said he's 59 years old and he's never heard a recession defined any other way.

Recession refers to whether or not the GDP is expanding or contracting. It doesn't refer to the level of unemployment or the level of inflation. It's specifically there to reference what is happening with GDP. That's how they define economic growth. I mean, I have a lot of problems with GDP. But that's how recession has been defined. Recovery is when the GDP is expanding. Recession is when it's contracting. That's it!"

Megyn cited a report from the *Dispatch* outlining concerns about a "wage-price spiral" because wage increases of 5.1% in Q1 beat expectations (despite not keeping up with inflation). Peter called the wage-price spiral "another fiction" created by the government in the 1970s. It is essentially a way to blame the private sector for [inflation](#) it created.

Inflation is not created by workers demanding raises. It's not created by companies raising prices. It's created by the government expanding the money supply. That's the literal definition of inflation. ... When you inflate the money supply, prices go up. Wages are just another price. They are the price of labor."

Peter pointed out that the wage numbers are likely accurate, but [the CPI is not](#). It is closer to 18% than 9%. That means real wages are collapsing. Meanwhile, the saving rate is at the lowest level since mid-2009. What was happening to the economy in mid-2009?

We were in the Great Recession. So, the last time we had a savings rate this low, we were in a huge recession. Why is the savings rate so low? Because the recession is forcing workers to dip into their savings to pay their bills because their pay increases aren't enough."

BY SCHIFFGOLD

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