

Clinton vs. Trump: The First Presidential Election Debate and Its Aftermath

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A week ago, on Monday, September 26, the 1st Presidential debate was held. 84 million watched the two most disliked candidates in perhaps more than a century square off and debate.

The one, Donald Trump, a self-proclaimed billionaire wheeler-dealer real estate developer backed by billionaire economic advisers and campaign contributors like sleazy Casino magnate Sheldon Adelson, hedge fund vultures Robert Mercer and John Paulson, private equity king Stephen Feinberg and at least a dozen other billionaires that constitute Trump's current 'economic team'; the other, Hillary Clinton, a mere multimillionaire worth a paltry \$200 million (not counting her foundations valued at around \$400 million), who has accumulated her wealth in just the past decade by means of her (and her husband Bill's) close connections to investment bankers like Goldman Sachs CEO, Lloyd Blankfein, billionaire hedge fund managers like George Soros and James Simons, multinational tech company CEOs, and billionaire corporate media families like the Sabans, Katzenbergs, and Coxes.

The major economic issues raised in the debates included jobs, trade, taxes and the \$20 trillion US government debt. On domestic policy, the focus was racism and gun violence. On foreign policy—Isis, Iraq, NATO, China, first use of nuclear weapons, and Russia.

Taxes and Jobs

Trump proclaimed his plan would cut taxes by \$12.5 trillion. He proposed to pay for the cuts by repatriating \$5 trillion of cash US corporations continue to hoard offshore. The incentive to repatriate the \$5 trillion would be to reduce the corporate tax rate to 5% to 7%, instead of the current 35. But Trump conveniently ignored pointing out this repatriation trick was already played in 2005-06 under George W. Bush. US corporations had accumulated \$2 trillion offshore, were given by Congress a 'pass' and a lower rate of 5.25% to repatriate so long as they created US investment and jobs with remainder of the repatriated funds. They brought it back, all right, but did not create jobs and instead used the excess profits they realized to buy up companies and pay out dividends to shareholders.

But Clinton carefully did not pick up this issue and use it against Trump in the debate. Why? Because Democrats in Congress are currently proposing the same tax repatriation scam as Trump and Clinton admitted she too supported 'repatriation' business tax cuts.

While talking in generalities about 'taxing the wealthy', Clinton carefully avoided mentioning that tax cuts for business under Obama have been even more generous than they were under George W. Bush. Bush tax cuts from 2001-2008 amounted to approximately \$3.7

trillion—of which it is estimated 80% accrued to businesses and wealthiest households. Obama extended the Bush tax cuts for two years from 2008 to 2010, at a cost of another \$450 million, then provided another \$300 million in his 2009 bailout package, and then struck a deal with Congress to cut taxes another \$4 trillion in January 2013 by again extending Bush's tax cuts another decade through 2022.

And conspicuously missing in the debate was that neither candidate commented on whether they supported the further major tax cuts for corporations being planned to passage right after the November elections. That's because both no doubt will support it when it comes up for voting in Congress soon following the election.

Both candidates avoided responding directly to the moderator's question: 'Would you support raising taxes or reducing taxes on the wealthy'. Instead of substance, the debate on taxes focused on whether Trump personally paid taxes and why he refuses to release his tax returns. Clinton kept pressing the subject, scoring points repeatedly as Trump fumbled the issue of his personal taxes. He finally responded to why he hasn't paid taxes or released his tax records with "I guess that makes me smart"—a remark that will no doubt cost him significant votes.

In the debate, both candidates supported the myth that tax cuts create jobs. The only difference between them is which cuts. Trump meant corporate tax cuts. Clinton meant a mix of business and non-business. But the historical record shows clearly there is no relation between tax cuts in general, and business tax cuts, and job creation in the 21st century. US manufacturing employed 18 million workers in 2000. After nearly \$10 trillion in tax cuts, it now employs 12 million. Construction employment has similarly declined. While service jobs have increased since 2000, so too have the ranks of the part time, temporary, and those employed in the underground economy. Together with these ranks of partially employed, more than 6 million more have left the labor force in the US—a net poor return in jobs for the nearly \$10 trillion in tax cuts.

NAFTA, TPP and Trade

Trump's business constituency of real estate and financial interests is less concerned with trade deals than Clinton's. Trump is also targeting small businesses, which typically don't export but are harmed by imports, as well as white working class in the Midwest whose incomes have been devastated by free trade deals like NAFTA. However, unlike before the debate, he didn't declare he would discontinue the existing trade deals. He promised first to stop the further offshoring of US jobs —without explaining how he would do this—and also left unexplained how he proposed to get the millions of jobs previously offshore back to the US. Clinton too provided no details how to get the jobs back or what she would do to stop future bloodletting of US jobs offshore.

While declaring NAFTA as 'defective', Trump simply added "we need to renegotiate trade"—a position little different from Clinton's that we "need to take a new look at trade". The debate thus talked in generalities that leave the door open after the election for either to support the TPP and undertake token reforms at best regarding NAFTA. More revealing of Clinton's true intentions perhaps was her off the cuff comment that she'd vote again for CAFTA (Central American Free Trade Agreement) if given the opportunity.

Debt and Defense Spending

Trump several times during the debates referred to the nearly \$20 trillion in US national debt. But what he failed to mention is that studies show about 60% of that debt is due to tax cuts and declining US tax revenues. Another \$3 trillion at least is due to US war spending since 2003. Yet in the debate Trump called for accelerated war spending, while Clinton said nothing about whether she would increase war spending or reduce it. Her silence spoke volumes on that topic, however, as did her repeated references to the need to confront Russia and China. While Trump directly indicated he would not use nuclear weapons first, Hillary avoided answering the moderator's question, implying perhaps she would, which has been the US official position to date.

The Silly Subjects

Much of the time of the debate was also consumed by extensive discussion of such silly issues as whether Obama was born in the US, whether Hillary had the 'stamina' to be President or Trump the 'temperament', Trump's personal bankruptcies, and whether each would accept the outcome of the vote.

The Missing Debate

More important perhaps than what was said was what was ignored and not discussed by the candidates during the debate—like the stagnating and declining incomes of tens of millions of working and middle class Americans since 2000, the simultaneous approximate 10 trillions of dollars in capital gains, dividends and interest income obtained by the wealthy 1% over the same period, the collapsing pension and retirement systems today in the US, the increasingly unaffordable rents and healthcare insurance costs, US drug companies' price gouging and unraveling of Obamacare, the US central bank's policy of low interest rates destabilizing the economy, the consistent violation of regulations by bankers, the new US military adventures now being prepared for Russia's east Europe border and China's coast, the militarization of US police forces, what to do about racism and gun violence besides meaningless calls to 'improve community-police relations'. Nothing was said about global climate crisis by either candidate; nor about the opaque manipulations, by both candidates, of their personal foundations for political use.

The Aftermath

In the days immediately following the debate, the general consensus was that Trump's rambling and unfocused responses to Clinton meant he had clearly performed poorly and had lost the debate. Clinton recovered in the polls, pulling even or just a few points ahead in national polling and assuming a slight lead in several of the 'swing states'. But with 87% of voters having already decided, national poll results are largely irrelevant, and the margin of error in the polling in the swing states still remains so narrow, post-debate, that it is insignificant in most of the swing states.

How is it that Trump could have performed so poorly in the TV debate and the race still remain so close? What the past week does show is that despite Trump doing all he can to put his foot in his mouth, and help Clinton with outrageous sexist and racist statements, there still remains a large, widespread and hardened discontent with Clinton. The first debate should have clearly 'put Trump away', and locked in an eventual November victory for Clinton, but it hasn't. Which candidate turns out its traditional base to vote in November in the swing states still remains the key element for who wins the election.

Given that strategic reality, it's not surprising that Clinton in the past week has intensified efforts toward trying to convince millennials to turn out to vote for her. A Democrat Party 'full court press' has been launched targeting the under-35 voters, many of whom had defected to Sanders in the primaries as well as to the Libertarian candidate, Johnson, and Green Party candidate, Jill Stein.

In synch with this effort, this past week the anti-Trump mainstream corporate media has stepped up its critique and efforts to marginalize both Johnson and Stein, pressing the old theme that 'a vote for a third party is a vote for Trump'. The past week Clinton campaign thus began mobilizing Sanders and liberal darling, Elizabeth Warren, having them tour college campuses pitching the theme to millennials to 'get out and vote'. Simultaneously, Clinton herself has begun to prioritize themes of college tuition and child care more in her speaking engagements and in her media advertising. In the remaining weeks before the election, watch for the Clinton camp to launch new initiatives as well to shore up her weak base among white working class voters in the Midwest swing states, and among Latinos there and in Florida, Virginia-Carolinas, Colorado-New Mexico-Nevada.

The Clinton campaign has clearly not yet turned out the defections of the youth, under-30 vote, lost during the primaries. Nor has it been able to excite Hispanics and Latinos as did Obama in 2008 and 2012 with false promises of Dream Acts and Immigration justice. And the white, non-college educated working class in key Midwest states remains all but lost to Trump for good.

The continuing hard core discontent with Clinton has its roots not only in her own political record on war, trade, and her intimate ties to the banking and corporate elite, but in the poor economic legacy left by Obama policies and programs over the past eight years. Clinton presses her point the US economy has not been as bad as Trump claims, but for many constituencies—especially youth, minorities, and non-college educated white workers—it is not believable. In fact, for many it has been a disaster. But you won't hear that truth from the mainstream corporate media or the Clinton camp.

Behind Clinton's troubles in this election is the 'gray eminence' of failed Obama economic and social policies that Democrats refuse to own up to—i.e. creation of only low pay, part-time, temp and 'gig' service jobs with no benefits, crushing levels of student debt, escalating rents and health insurance costs under Obamacare, declining savings for tens of millions of retirees after eight years of near zero interest rates by the Federal Reserve under Obama, continuing free trade destruction and offshoring of US manufacturing, millions of homeowners still 'under water' on their mortgages, chronically rising household debt, perpetual wars in the middle east, intensifying racism and police violence throughout the US, record levels of immigrant deportations, etc.—in other words, the 'legacy of Barack Obama', which hangs like a thick political fog over the Clinton campaign threatening key constituency voter turnout while holding up support for Trump despite his best efforts to scuttle his own campaign with his mouth.

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