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**MATT MILLER, BLOOMBERG:**

Let's get to Libby Cantrill right now. She is Managing Director of Public Policy over at PIMCO. Libby, I'm guessing you watched the debate last night, and what was your takeaway? Are they all, you know, vying to be Vice President with the exception of a few who have already, you know, counted themselves out?

**LIBBY CANTRILL, PIMCO:**

Yeah, I mean, good morning. I did watch all of it. A little bit like watching Thunderdome at parts. I think there are a few kinds of takeaways. One is that the debate last night didn't really do anything to undermine President Trump's very secure position as front runner, as you've all been alluding to. Of course, leading in the polls, both nationally, but then also importantly, in some of those early primary states. But second of all, this really was, as you alluded to, really kind of the position for, the jockeying for the consolation prize, the kind of the runner up. And in that vein, what I do think it may have done for those who actually may have watched is remind folks that there might be an alternative. That's certainly what I think Nikki Haley was going for, I think for, of course, Mike Pence. And then also of course, Vivek Ramaswamy, who had the most, or second most speaking time, just second to Mike Pence. So in many ways, I think this is sort of an introduction for those voters who might be “Other-Trump-Curious”, if you will. Those sort of “Sometimes Trumpers” or “Never Trumpers" who are looking for an alternative. But again, I think the big takeaway here, politically at least, is that this doesn't really do anything to undermine President Trump's really unequivocal position as the front runner.

**GINA MARTIN ADAMS, BLOOMBERG:**

When you dig into the details, Libby, I know that most of the debate was really focused on foreign policy concerns. But what did you take away from the candidates with respect to their domestic policies or their economic sort of slant with respect to this conversation last night?

**CANTRILL:**

So I would say in the first 20 minutes or so, there was actually a lot of discussion about the federal debt and around sort of the deficit dynamics. And so I was, you know, as an economic policy nerd, getting very excited, thinking that we were actually going to have a substantive conversation about the trajectory of government spending. We didn't really see any details though, maybe not surprisingly. So there were sort of these, you know, kind of superficial comments about how we're spending too much. There were some folks who did talk about reducing the size of the federal government. That's actually quite difficult to do without Congress. But in terms of really, as you all know, the bulk of the source of spending over the next 10, 20, 30 years is on entitlements. It's going to be Medicare and Social Security and Medicaid to a lesser extent. And there was no discussion about entitlements. So, you know, I think with that, it's sort of disingenuous to have a discussion around sort of the fiscal deficit or the fiscal or the debt situation without actually tackling that. And there was really, again, you know, no mention of that. And the reason why is that because, of course, it doesn't poll very well with folks, particularly some of the demographic of the Republican Party in terms of, you know, older, older voters. So maybe not surprising, but again, I think kind of the bottom line here from kind of the economics discussion is there really wasn't very much, except for, again, some sort of passing comments about reducing the federal workforce, which, again, is difficult to do if you don't control both chambers of Congress.

**DAMIAN SASSOWER, BLOOMBERG:**

Libby, I wonder if we can't switch back to foreign policy. With the exception of Ramaswami, all of the candidates actually, at last night's debate, said they were in favor of, you know, continuing aid to Ukraine. You know, I'm wondering, did you expect to see such consensus on that particular issue?

**CANTRILL:**

Yeah, and certainly, there were more folks who were vociferously in support of the continued funding of Ukraine. Again, I would go back to sort of Nikki Haley statements, Mike Pence statements. But yes, I mean, there were the kind of the unanimity around Ukraine was, you know, mostly supportive. I think Governor DeSantis kind of equivocated a little bit, saying he would divert some of that funding down to the Southern border. But you're right that outside of Vivek Ramaswami, there wasn't anybody who absolutely said, unequivocally, you know, “No more funding of Ukraine”. Am I surprised by that? Honestly, not very. I mean, just politically here to be against funding of Ukraine in some ways could be characterized as being supportive of Russia. Now, of course, there's a lot more nuance around that, but politically speaking, that could be the spin. So I think that's why, you know, some of the candidates were careful. All did say, most of them said, that in addition to funding Ukraine, they would also continue or increase the funding at the Southern border. And that's obviously an issue, particularly in Iowa, that plays very well. So you did see some folks really target their comments towards those early state primaries. But again, broadly speaking, just given how it can be spun on the heels of the Prigozhin death yesterday. I think it's sort of untenable for folks to be, you know, really kind of anti-Ukraine.

**MILLER:**

I mean, we still have, over a year, a lot can happen between now and next November, when President Biden will be turning 82. On the Democratic side, who could primary President Biden? Or, you know, if he decides eventually not to run, who's gonna run in his place?

**CANTRILL:**

Yeah, so I think it's really- it's an important point what you just opened up with is it is, we are still super early days. Now, again, on the Republican side, President Trump, still the clear front runner, he's also really importantly- and this is kind of very inside baseball, but it's actually quite important; he has changed a lot of the delegate allocation rules at the state level to benefit him. So as long as he's getting a plurality of the vote in a crowded field, he is very well positioned to get many of those, or if not all, those delegates in respective states. So he's kind of playing the inside game, if you will, in addition to his front runner status. On the Democratic side, what we're telling clients is President Biden is very likely going to be the nominee, save some really exigent health issue, or what have you. But outside of that, we are expecting him to be the nominee. Just something to keep in mind is that the first of all of the sort of state filing deadlines comes mid-October, that's kind of the de facto deadline on both the Republican and the Democratic side for a new person to get in and to be able to list themselves on the ballot in all 50 states in these respective primaries. So that should be kind of the deadline. And again, we don't expect any big changes on the Democratic side.

**MILLER:**

Libby, Canrill of PIMCO, thanks so much for joining us this morning.