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INFO SAVING NATO AND EC POSTS, US CG'S BIS NEW YORK, MOSCOW, TOKYO.

REAGAN/MONDALE DEBATE ON 7 OCTOBER

## SUMMARY.

1. NO KNOCK-OUT PUNCHES, BUT FIRST IMPRESSIONS OF THE DEBATE SUGGEST A WIN TO MONDALE ON POINTS. HE PERFORMED WELL, AND KEPT THE PRESIDENT ON THE DEFENSIVE, BUT HE HAS A HUGE GAP TO CLOSE.

## DETAIL

2. THE FIRST OF THE 2 TELEVISED DEBATES BETWEEN THE PRESIDENTIAL CONTENDERS TOOK PLACE IN LOUISVILLE, KENTUCKY LATE ON 7 OCTOBER. IT COVERED DOMESTIC, AND PRIMARILY ECONOMIC ISSUES: FOREIGN AFFAIRS WILL BE COVERED IN THE RETURN MATCH ON 21 OCTOBER. "DEBATE" IS IN FACT A MISNOMER, FOR THE FORMAT, AT WHITE HOUSE INSISTENCE, GAVE FEW OPPORTUNITIES FOR DIRECT EXCHANGES BETWEEN THE CONTESTANTS AS EACH IN TURN ANSWERED QUESTIONS FROM A PANEL OF JOURNALISTS. BUT MONDALE STOOD TO GAIN FROM THE VERY FACT OF SHARING A PLATFORM WITH THE PRESIDENT. AND HE MADE FULL USE OF HIS CHANCE, SEEMING MUCH MORE RELAXED AND CONFIDENT THAN THE PRESIDENT, WHO APPEARED SURPRISINGLY NERVOUS. ALTHOUGH HIS CAMPAIGN STAFF HAD MAINTAINED IN ADVANCE THAT MONDALE WOULD BE VERY AGGRESSIVE, HE - NO DOUBT WISELY - ELECTED INSTEAD TO BE STATESMANLIKE, ACKNOWLEDGING THAT THE PRESIDENT WAS A LIKEABLE MAN WHO HAD DONE MUCH TO RAISE US MORALE, BUT ARGUING THAT AMIABILITY WAS NOT ENOUGH, GIVEN LIKELY FUTURE ECONOMIC PROBLEMS.

3. ON THE ECONOMY THE PRESIDENT DEFENDED HIS RECORD - ECONOMIC GROWTH SHARPLY UP, INFLATION DOWN, NOMINAL INTEREST RATES DOWN, THE RATE OF INCREASE IN GOVERNMENT SPENDING DOWN, AMERICA ON THE MOVE AGAIN. MONDALE REPEATEDLY STRESSED THE DANGERS OF THE DEFICIT, HIGH REAL INTEREST RATES, AND A LARGE ADVERSE TRADE BALANCE, AND THE UNACCEPTABILITY OF SADDLING FUTURE GENERATIONS WITH ENORMOUS ACCUMULATED DEBT. REAGAN IN TURN REPEATEDLY REMINDED HIS AUDIENCE THAT MONDALE ENVISAGED TAX INCREASES: NEEDED BY THE ACCUSATION THAT HE TOO WOULD FIND AN INCREASE UNAVOIDABLE DURING THE NEXT 4 YEARS HE STATED IN TERMS THAT HE WOULD MAKE NONE, (THOUGH THIS WAS SUBSEQUENTLY HALF-QUALIFIED BY A REFERENCE TO A POSSIBLE TAX HIKE AS A 'LAST RESORT' MEASURE) NEEDED ON HIGH INTEREST RATES, AND CONSEQUENT DAMAGE TO AGRICULTURE, HE DENIED THAT THERE WAS ANY CONNECTION BETWEEN DEFICITS AND INTEREST RATES (REFERRING INSTEAD TO MISTAKENLY HIGH INFLATIONARY EXPECTATIONS.) MONDALE MOCKED "VOODOO ECONOMICS" AND HOPES FOR DEFICIT REDUCTION "BY MAGIC": REAGAN ARGUED THAT GROWTH, AND HENCE A HIGHER TAX-TAKE AT PRESENT RATES, WOULD DISSOLVE THE PROBLEM.

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4. A SUB-THEME WAS 'FAIRNESS', WITH MONDALE STRESSING THE UNEVEN-NESS OF THE RECOVERY, AND ARGUING THAT THE PRESIDENT'S TAX CUTS HAD MADE THE RICH RICHER, WHILE HIS SPENDING CURBS HAD MADE THE POOR POORER. REAGAN GAVE A COMMITMENT TO NO REDUCTION IN SOCIAL SECURITY BENEFITS, AND DENIED - THOUGH LESS CATEGORICALLY - ANY INTENTION OF CUTTING MEDICARE.

5. MUCH OF THE REST OF THE DEBATE CENTRED ON THE ISSUE OF RELIGION AND POLITICS, WITH THE PRESIDENT ARGUING THAT A LINK WAS INEVITABLE, AND ATTACKING LIBERAL ATTITUDES TO PRAYER IN SCHOOLS, AND ON ABORTION, AND MONDALE WARNING OF THE DANGERS OF ANY LINK, AND OF THE INFLUENCE OF FUNDAMENTALISTS LIKE FULWELL ON E.G. SUPREME COURT APPOINTMENTS. THE PRESIDENT WAS PLAINLY MORE AT EASE ON THESE THAN ON ECONOMIC ISSUES, ON WHICH HE FREQUENTLY TOOK REFUGE IN SELECTIVE, AND OCCASIONALLY INCOHERENT, STATISTICS - QUOTING, THOUGH REMAINING CALM AND GOOD-HUMOURED.

6. THE AVERAGE TELEVISION-VIEWERS ARE PROBABLY MORE INTERESTED IN THE PERFORMANCE OF THE 2 CANDIDATES THAN IN THE POLICY - CONTENT OF THE DISCUSSION. GIVEN THAT THE POLLS SHOW THAT REAGAN IS THOUGHT TO BE GREATLY HIS SUPERIOR IN TERMS OF LEADERSHIP QUALITIES, THEY MAY HAVE BEEN SURPRISED AT MONDALE'S FIRMNESS AND COMPETENCE, BELYING HIS 'WIMP' IMAGE. BEING THE INCUMBENT DID NOT WORK IN REAGAN'S FAVOUR: RATHER IT FORCED HIM ON TO THE DEFENSIVE.

7. SUCH DEBATES CUSTOMARILY BENEFIT THE UNDERDOG: A 6 POINT LEAD FOR CARTER EVAPORATED AFTER HIS DEBATE WITH REAGAN IN 1980, AND KENNEDY CONVERTED A 1 POINT DEFICIT TO A 3 POINT LEAD AFTER HIS FIRST DEBATE WITH NIXON IN 1960. BUT THE EVE-OF-DEBATE GAP THIS TIME WAS VERY MUCH WIDER: 17 POINTS ACCORDINGLY TO GALLUP, 18 ACCORDING TO ABC. THERE STILL ARE 4 WEEKS TO GO: AND SOME NARROWING OF THE GAP IS LIKELY, AND INDEED LONG OVERDUE: IT REMAINS TO BE SEEN WHETHER THE EFFECT OF THE DEBATE MAKES A SUBSTANTIAL DENT IN THE PRESIDENT'S PROSPECTS.

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