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WASHINGTON POLICY STRATEGY Potomac Perspective

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President Joe Biden continued the trend of incumbent Presidents stumbling in their first debate when running for reelection. Mr. Biden's problem is that his performance reinforced voters' worries about his age and ability to serve another term. Despite numerous reports of panic among Democrats, there is no mechanism to remove him from the ticket. Only he can decide not to run. So far, there have been no signs that he intends to do that, but maybe that will change in the coming days.

Thursday night's debate was exactly the type of performance that President Joe Biden could not afford. While former President Donald Trump made his own mistakes and was far from flawless, the post-debate conversation was dominated by discussion about Mr. Biden's age and ability to serve another term. Mr. Biden looked and sounded old and confused, which reinforced voters' preexisting concerns about whether he can serve another term. Although the Biden campaign will probably schedule events in the coming days to make him appear vigorous and engaged, they will not be able to undo the damage from last night's debate. The fact that the next debate is not scheduled for months means the images of last night will linger in voters' minds.

After the debate, analysts on all three cable networks (CNN, Fox News, and MSNBC) reported panic among Democrats over Mr. Biden's debate performance and whether it doomed the party's chances in the November elections. The problem for Democrats is that there is no obvious mechanism to remove him from the ticket even if there is political will to do so. Under Democratic Party rules, convention delegates are bound to vote for the candidate to whom they are committed on the first ballot. Mr. Biden will control almost all the delegates at the Democratic National Convention. If he remains on the ticket, he will be formally nominated despite worries about his age.

Only Mr. Biden can decide whether or not to step aside. We expect there will be some frank talks among his inner circle about doing this, but unless the President and his wife decide he should not run again, he will be the Democratic nominee. Investors should not underestimate Mr. Biden's determination and stubbornness. This leads us to conclude he will likely remain on the ticket. We are raising our estimate that he will step aside back to around 40 percent following this debate.

Regarding policy, last night's debate was superficial and lacked any serious discussion about economic policy. We did not hear any talk on any new policy proposals that might move financial markets.

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