# REPORT DOCUMENTATION PAGE

*Form Approved*
*OMB No. 0704-0188*



**1. REPORT DATE** *(DD-MM-YYYY)*
04-02-2021

**2. REPORT TYPE**
Master of Military Studies (MMS) thesis

**3. DATES COVERED** *(From - To)*
AY 2020-2021

**4. TITLE AND SUBTITLE**
The United States National Debt: A Political Threat to National Security

**5a. CONTRACT NUMBER**
N/A

**5b. GRANT NUMBER**
N/A

**5c. PROGRAM ELEMENT NUMBER**
N/A

**6. AUTHOR(S)**
Carson, Thomas B. (Major)

**5d. PROJECT NUMBER**
N/A

**5e. TASK NUMBER**
N/A

**5f. WORK UNIT NUMBER**
N/A

**7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)**
USMC Command and Staff College
Marine Corps University
2076 South Street
Quantico, VA 22134-5068

**8. PERFORMING ORGANIZATION REPORT NUMBER**
N/A

**9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)**
N/A

**10. SPONSOR/MONITOR'S ACRONYM(S)**

**11. SPONSOR/MONITOR'S REPORT NUMBER(S)**
N/A

**12. DISTRIBUTION/AVAILABILITY STATEMENT**
Approved for public release, distribution unlimited.

**13. SUPPLEMENTARY NOTES**

**14. ABSTRACT**

The assumption that national debt is a threat to national security is made so frequently it is accepted as fact without providing the direct linkage nor identifying the variables and conditions that drive the threat or how it may evolve over time. There are multiple ways the national debt can harm national security and the U.S. economy. The U.S. must be considered separately from countries when discussing debt metrics because it holds a special place in the world economy. The national debt is a threat to national security predominantly in a political sense instead of an economic concern. The greatest threat is a large reduction, greater than 10% in a given year, in DoD funding appropriated by Congress. While the threat from the debt is political in nature there are steps the DoD can take to limit the risks of Congressional reductions.

**15. SUBJECT TERMS**
national debt; national security; political; budget; economic

| 16. SECURITY CLASSIFICATION OF: a. REPORT | b. ABSTRACT | c. THIS PAGE | 17. LIMITATION OF ABSTRACT | 18. NUMBER OF PAGES | 19a. NAME OF RESPONSIBLE PERSON |
|---|---|---|---|---|---|
| | | | | | USMC Command and Staff College |
| | | | | | **19b. TELEPHONE NUMBER** *(Include area code)* |
| Unclass | Unclass | Unclass | UU | | (703) 784-3330 (Admin Office) |

*United States Marine Corps*
*Command and Staff College*
*Marine Corps University*
*2076 South Street*
*Marine Corps Combat Development Command*
*Quantico, Virginia 22134-5068*

MASTER OF MILITARY STUDIES

**TITLE:**
**The United States National Debt: A Political Threat to National Security**

SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF MILITARY STUDIES

**AUTHOR:**

Major Thomas Carson
United States Marine Corps

AY 2020-21

Mentor and Oral Defense Committee Member: Dr. Brandon Valeriano
Approved: ______________________
Date: 4/2/21

Oral Defense Committee Member: Dr. Rosella Cappella Zielinski
Approved: Rosella Cappella Zielinski
Date: 4/2/21

## Executive Summary

**Title**: The United States National Debt: A Political Threat to National Security

**Author:** Major Thomas B. Carson, United States Marine Corps

**Thesis:** The national debt is a threat to national security predominantly in a political sense instead of an economic concern. The greatest threat is a large reduction, greater than 10% in a given year, in DoD funding appropriated by Congress. While it is possible for economic forces surrounding the debt to influence and potentially harm the funding levels of the DoD, the likelihood is far smaller that economic conditions would force cuts than politically motivated reductions to defense spending. While the threat from the debt is political in nature there are steps the DoD can take to limit the risks of Congressional reductions.

**Discussion:** The assumption that national debt is a threat to national security is made so frequently it is accepted as fact without providing the direct linkage nor identifying the variables and conditions that drive the threat or how it may evolve over time. There are multiple ways the national debt can harm national security and the U.S. economy. The U.S. must be considered separately from countries when discussing debt metrics because it holds a special place in the world economy. The U.S. is the dominant economic hegemon with global reserves held by most other countries in U.S. dollars providing a significant advantage to the U.S. Low borrowing costs have allowed the U.S. to maintain funding for defense and national security spending as well as entitlement programs. Maintaining, relatively, the status quo has not forced the inevitable budget or debt crisis many projected in the early 2010s.

**Conclusion:** The DoD is not incapable of impacting Congress and must work to guide their actions in the best interest of the U.S. The DoD must be aware of the broader fiscal climate of the U.S. and not ignore the politically motivated activities of Congress. Aggressive action should be taken on multiple fronts to ensure Congress has valid information and supporting evidence to believe the risk analysis provided by the DoD. Building trust with Congress through verifiable actions such as an independent clean audit can be the difference between cuts that harm national security and those that are absorbable within funding limits. When necessary the DoD should not be afraid to employ political appointees in a political arena.

DISCLAIMER

*Table of Contents*

## ***Acknowledgements***

The complete list of those I must thank for their support of this project is too numerous to include here. Dr. Brandon Valeriano drove my thinking, understanding, and learning throughout the process. Without his insight and shaping I would not have been able to complete the requirements. Similarly, Dr. Rosella Cappella Zielinski's knowledge in the field of national defense funding mechanisms and theory sparked a large portion of my research and source discovery. Her flexibility in meeting scheduling needs and joy for the topic pulled me along when my motivation needed assistance. Lieutenant Colonel Brian McLean, Dr. Claire Metelits, and Dr. Lon Strauss each taught different lessons throughout the curriculum and all three had a measurable impact on my writing and critical analysis skills. The staff at the Leadership Communication Skills Center spent far too many hours explaining basic grammar to me and each time they returned a draft it came with a high degree of professionalism and quality insights that made my work strong. Most important was the support of my family who allowed me to take the time I needed to work no matter how inconvenient. My wonderful wife, Danielle – who gave birth in the middle of this project, shouldered far more of the family care load than fair. Our four amazing children; LilaKate, Penelope, Drew, and Nate contributed to this assignment in ways they will never understand.

**Introduction**

The Department of Defense (DoD) is tasked with the mission of "providing the military forces needed to deter and win wars and to protect the security of our country and our allies."[1] The DoD, with the Department of Homeland Security, are the principal agencies that implement the National Security Strategy. Funding is a critical requirement to achieve the goals of the National Security Strategy as well as all government functions. Throughout his time as the Chairman of the Joint Chiefs of Staff Admiral Mullens often identified the greatest threat to United States (U.S.) national security as the rising national debt.[2] On the day of his retirement in 2011, the national debt stood at over $14.7 trillion and has since ballooned to over $26.9 trillion.[3] The latest Congressional Budget Office (CBO) report projects that amount to increase to $35.3[4] trillion by 2031 on an upward trend with no expectation of leveling off. This paper aims to evaluate the idea that the national debt causes harm to national security as stated by the former chairman and, if proven true, what factors controllable by the DoD increase or decrease the risks and harm.

The assumption that national debt is a threat to national security is made so frequently it is accepted as fact without providing the direct linkage nor identifying the variables and conditions that drive the threat or how it may evolve over time. The connection is often taken as gospel, then used as evidence to indicate the need for fiscal policy change in the DoD and government writ large. If true, a clear correlation between debt increases and security concerns would be expected. Levels of risk created by the rise in the national debt may not be directly quantifiable but at a minimum would be identifiable. Key factors and signals of the growing threat would present themselves and should allow for the development of mitigation strategies.

Based on examples reviewed the national debt is a threat to national security predominantly in a political sense instead of an economic concern. The greatest political threat is a large reduction, greater than 10% in a given year,[i] in DoD funding appropriated by Congress. While it is possible for economic forces surrounding the debt to influence and potentially harm the funding levels of the DoD, the likelihood is far smaller that economic conditions would force cuts than politically motivated reductions to defense resources. While the threat from the debt is political in nature there are steps the DoD can take to limit the risks from Congressional reductions. First, this paper will detail how funding is critical to the execution of national security. It will then examine if the debt itself or increases to the debt automatically threaten national security. Third, it will identify that the preponderance of the threat from the debt to national security is political in nature stemming from Congress. Finally, it will provide suggestions for actions from the DoD to minimize this political threat.

Outside of the scope of this review is if a large reduction in DoD funding would significantly harm national security. DoD budgets are subject to constant debate and scrutiny with advocates for increases and decreases. Annually, the DoD spends countless hours striving to determine the correct funding levels required to support capabilities and forces worldwide to keep the U.S. safe. Those estimates are reviewed and debated by Congress often to unconclusive ends. This analysis takes as given that a large reduction would harm national security in order to focus on how the national debt may lead to a large budget reduction.

**Research Methods**

---

[i] The selection of 10% or greater is based on reductions required under sequestration which demonstrates a harmful level of budget reduction. The exact percentage that could be cut before national security is harmed is a topic entirely to itself and is beyond the limits of this review.

The problem researched is if the U.S. national debt causes a threat to national security and if so what actions and variables, controllable by the DoD, increase or decrease that threat. The analysis is a case study of the U.S. because of its unique military and financial status in the world. The analysis relies heavily on data from the last decade (2010 to 2020) as this period covers the time since then Chairman Mullens identified the national debt as the largest threat to national security. The most common sources of data are government documents to include Treasury Department data and websites, Congressional Research Studies (CRS), and Congressional Budget Office (CBO) documents. Academic research papers, books, journal articles, and International Monetary Fund (IMF) studies served as secondary sources. No original data was solicited or collected in support of this analysis. The largest limitation of this research method is the years reviewed may represent an economic anomaly as the U.S. attempted to recover from a recession. The lessons and actions may serve as the exception and not the rule for future cases.

## Congressional Funding: The Cornerstone to U.S. National Security

Alexander Hamilton describes the critical aspect of funding to a government in The Federalist Papers: No. 30, writing, “Money is, with propriety, considered as the vital principle of the body politic; as that which sustains its life and motion and enables it to perform its most essential functions.”[5] Hamilton spells out that funding is what enables a government to execute the tasks it is charged with on behalf of the people it represents. Hamilton continues with, “A complete power, therefore, to procure a regular and adequate supply of [money], … may be regarded as an indispensable ingredient in every constitution.”[6] To procure money is the ability to either receive tax revenue or borrow against a government’s credit. The national debt is the

U.S. government exercising authority to borrow as the mechanism to 'procure' money for government activities.

The Constitution grants Congress the authority to fund national security through appropriations to federal agencies, often called the 'power of the purse,' who conduct the action of defending the nation. Determining funding levels and the prioritization of resource requirements for the entire government is a key issue in U.S. federal policymaking with a direct tie to supporting or limiting the executive branch's ability to carry out authorized responsibilities. In simple terms if Congress were to appropriate zero dollars to the DoD in a given year the department would not be capable of defending the nation. There would be no ships securing the seas, planes monitoring and protecting the skies, or personnel to deploy in support of American interests. The resources available for Congress to distribute to the executive branch are the combination of taxes collected and funds borrowed as part of the national debt. Thus, the size of the national debt and its use to fund portions of the government are interwoven into the federal fiscal policy debate.

The policy debate includes the political choice, made by Congress, to use debt to finance government spending. In theory, tax revenue could be exclusively used to fund government spending and debt could be entirely avoided. This method would increase risk and be extremely inefficient in ensuring sufficient funds were available at the necessary time to pay for large dollar value projects.[7] While there are risks involved in using debt to fund government spending the benefits outweigh the negative considerations in ensuring the uninterrupted performance of essential government functions.

**How Can Debt Threaten National Security?**

There are multiple ways the national debt can harm national security and the U.S. economy. The national debt is the cumulative amount of annual budget deficits incurred by the government in each year it has more money leaving the treasury (outlays) than entering (revenue).[8] Each year Congress appropriates more money to the branches of government to spend than it requires citizens pay to the treasury through taxes causes a budget deficit. To make up for this deficit in a given year the U.S. borrows funds, typically by selling bonds.[ii] The total of this borrowing to cover the annual deficits over time is the national debt. As of the end of Fiscal Year (FY)[iii] 2020, the national debt is over $26.9 trillion.[9] A common way to measure the national debt is stating the debt as a percentage of the Gross Domestic Product (GDP).[iv] For the U.S. the national debt passed 100% of GDP in 2020,[10] a level not seen in the U.S. since the peak of World War II borrowing. Future projections on the national debt show steady increases, with no slowing trend in sight. If those increases continue unabated the level of debt is assumed to become unsustainable.[11]

The unrelenting rise in the debt to an amount that is unmanageable is one of the ways debt can harm national security. This is because as debt rises the cost to repay that debt becomes so large it consumes too much of a country's budget and there are insufficient funds remaining to fund the execution of government functions. Under one school of thought all programs, to

---

[ii] U.S. bonds or Treasury bonds are the primary method for the U.S. government to fund the national debt. Bonds are sold to a lender which gives funding to the government now with a promise for the government to repay the lender specific amounts at a specific time in the future. The exact amount of repayment is based on the interest rate that is set when the bond is sold. The less likely a lender is to be repaid, the more interest they require to offset the potential risk of not being repaid.

[iii] The federal fiscal year runs from October 1 to September 30 and are designated by the calendar year in which they end.

[iv] A comprehensive measure of U.S. economic activity. GDP measures the value of the final goods and services produced in the United States (without double counting the intermediate goods and services used up to produce them). Changes in GDP are the most popular indicator of the nation's overall economic health. https://www.bea.gov/data/gdp/gross-domestic-product

include funds to support national security requirements, are squeezed into an ever-smaller portion of the federal budget. This squeezing can be illustrated by considering a pie; the slice that represents interest payments on the national debt will continue to get bigger with the growing debt forcing the other slice(s) to get smaller. The decreasing slice represents government functions, to include the DoD, that will need to reduce funding to cover additional interest payments on an ever-growing debt. An economics panel of the Naval War College captured this thought by writing, "The big problem with debt levels is that the interest payments start to eat up your budget."[12] Eventually an amount is reached where outlays cannot keep pace with the necessary repayments of debt.

The U.S. reaches an untenable fiscal situation when interest payments grow so large that the U.S. cannot make all required payments and still appropriate funding to cover the costs of government functions. While exotic solutions can be designed, there are limited options to solve a crisis once it reaches this tipping point because of a large national debt: 1) increase revenues (a tax increase), 2) decrease appropriations to agencies (budget cuts), or 3) a combination thereof. There are economic concerns for either as both options run the risk of slowing economic growth and reducing GDP. With a slowing economy a government has less revenue to draw taxes from; thus, increases to taxes or reductions to government spending have the potential to cause further economic slowing. This repeating cycle can become extremely difficult for a country to overcome without intervention from an external entity.

The size of the pie piece for interest payments, which represents the percent of the federal budget allocated to paying interest payments on the debt, is heavily dependent on the interest rate of the debt. If there is strong confidence the borrowed amount will be repaid the lender typically requires a lower interest rate. The inverse serves true as well; higher risk of missing a debt payment comes with higher interest rates. Since World War II, the U.S. has been blessed with several systemic economic advantages that allow borrowing to fund the national debt at very low risk and low interest rates.[13] This keeps the size of the interest payments smaller and allows the U.S. to continue to borrow more money than other countries while keeping risk and costs low.

Another potential source of harm from the debt to national security is through actions from foreign owners of the U.S. national debt. Roughly one third of the national debt is owned by foreign countries and there are risks associated with foreign entities owning U.S. debt. Foreign held debt may give those outside the U.S. pressure points to apply leverage over the U.S. This would allow them to influence U.S. actions, decisions, or policies through pulling on these financial strings of debt. Creditors could gain a de facto veto over U.S. military actions through this control.[14] Creditors may also harm the U.S. by selling a large amount of U.S. debt at one time to significantly lower the demand and price of U.S. debt securities. This would make borrowing to cover the annual deficits more difficult, costly, and risky. The risks of foreign ownership are not clear cut as it is argued that debt ownership outside of the U.S. provides an incentive for the lender to see the U.S. prosper so the debt can be repaid.[15] The creditors, desiring timely repayment, take a vested interest in ensuring the U.S. succeeds and will actively look to ensure the U.S. is fiscally stable. Foreign held U.S. debt has existed for decades and has yet to produce significant instances of external creditors influencing U.S. policy. It is likely the assumption of creditor manipulation overstated their potential for control. Because the U.S. is the global reserve currency the large selloff strategy would likely injure nearly every country and spark a global recession, not limited economic collapse to only the U.S. This serves as another buttress in supporting the U.S. solvency even at a high debt level as mutual ruin is not likely to be an attractive economic strategy. While threats exist from foreign holdings of U.S. debt the likelihood and severity of harm they can cause is constrained.

**Conditions Under Which Debt is a Threat to National Security**

If the national debt by itself is a threat to national security, there is an amount of debt that must be breached to become a threat. Academic scholars generally accept there is a level of national debt that would be unsustainable for the U.S economy. This is a level of debt where the interest payments are so large they cripple the government's ability to fund the necessary functions as well as make the required debt payments. While theoretical existence of a damaging level of debt is rarely disputed, there is no consensus on the statistical measurement of the debt and the point the debt becomes dangerous. The most common measure of the national debt is defining it as a percentage of GDP. Numerous authors have tried to identify the maximum threshold of sustainable debt-to-GDP levels and claim harm is likely to a nation that exceeds those percentages. On the low end is an IMF study showing negative impacts to economic growth when the debt-to-GDP ratio was only 45%.[16] C. Fred Bergsten, a former assistant secretary of the Treasury for international affairs and assistant for international economic affairs to the National Security Council, contradicts these lowest levels claiming the 40-50 percent range of debt-to-GDP is generally sensible.[17] Bergsten goes on to say at 70% the U.S. begins to test the limits of sustainability raising the warning mark. An economics and security panel held by the Naval War College discussed the U.S on an untenable path with debt rising to 87% of GDP, which would be a threat to the economy.[18] The U.S. has far surpassed all these marks as the debt-to-GDP ratio currently exceeds 100%.[19]

The U.S. crossed numerous thresholds set by research studies with projections about a level of debt that is detrimental to the economy without negative impact. It is clear that one data point is insufficient to evaluate the dangers of the national debt and other variables are keeping U.S. borrowing rates down and economic distress at bay. Low borrowing costs prevent the U.S. from having to drastically reform budget priorities because they do not force hard choices to be made. Often borrowing costs will rise as lenders believe a country has too much debt and there are doubts about the ability to repay as promised.[20] This can spark a downward spiral in which a country must borrow continuously larger amounts to maintain the same level of government services and pay off the current debt. As additional debt is borrowed at a higher rate it again costs more to pay off the debt and forces more borrowing. The cycle continues ever-increasing the cost of borrowing until all faith in repayment is lost; no one is willing to lend to such a risky borrower, and a default is inevitable. Even with higher levels of debt than many studies believed supportable, the U.S. has not suffered from anticipated negative economic fallout or increased interest rates.

In contrast to the warnings about specific debt-to-GDP ratios that will trigger negative actions there are multiple data points that argue the link is less correlated and tangible. Various research indicates there are mixed findings on the impact to economic growth based on different debt levels.[21] An IMF study concluded in 2014 that there is no particular debt threshold that would adjust medium-term growth potential of a country.[22] Nathan Perry, an Associate Professor of Economics at Colorado Mesa University, comments on the overall sense of these studies writing, “Ultimately, there is no consensus on the debt threshold level, as there are likely too many factors over time that contribute to a country’s ability to accumulate and manage its debt.”[23] These examples show that an increase in debt does not automatically trigger an additional threat to national security.

Without context a large amount in the trillions of dollars automatically appears concerning to the public and Congress, but with context common debt concerns do not materialize. A sum of nearly $30 trillion is incomprehensible to some individuals and yet, as the U.S. approaches this level of debt at a rapid speed as well as a 75-year high debt-to-GDP ratio of 100%,[24] alarm bells do not appear to be blaring for an imminent debt crisis nor have interest rates risen. All these recent data points highlight that projected thresholds of either total debt amount or debt as a percentage of GDP were too narrow in their focus and did not consider the special privileges the U.S. has in borrowing when projecting threats caused by the debt.

Writing in an Army War College thesis project in 2011 Colonel Martin Blank bluntly states that the growing national debt will inevitably lead to budget cuts for national security and reduced capabilities.[25] The inevitability of a budget reduction because of market conditions has not born out as projected in the preceding decade. Debt levels have nearly doubled since the prediction of inevitable budget cuts and yet, no longer-term national debt reduction deal is currently in the national fiscal policy debate. As the debt has skyrocketed in the last year there has not been a strong accompanying drumbeat to offset debt increases with hard reductions to the DoD funding levels. U.S. bond sales have not suffered nor have interest rates risen. Together, the U.S. is still seen as a safe bet to make all necessary debt repayments.

The U.S. must be considered separately from countries when discussing debt metrics because it holds a special place in the world economy. The U.S. is the dominant economic hegemon with global reserves held by most other countries in U.S. dollars providing a significant advantage to the U.S. This is visible in commodities that trade in dollars as well as the removal of risk for lost purchasing power from exchange rate changes. Because of this unique status on the world stage there is no equivalent for a comparison to the U.S. These advantages significantly lower the risk of U.S. debt in relation to nearly every other country. The U.S. can continually expand the size of the budget pie to address the increasing costs of debt repayment instead of having to make reductions because of a constrained budget or capped lending amount. While the U.S. retains this global dominance it is theoretically possible, but unlikely, for the U.S. to find itself in a debt spiral trap caused by economic conditions.

The key risk variable ignored when predicting thresholds of debt that will harm the U.S. is a form of relative trust. The U.S. has been able to continuously borrow funds at an extremely low interest rate for over a decade.[26] This is in large part because the U.S. is considered a safe haven for long-term investments. Perry describes this in saying, “The U.S. is one of the few countries that can sell all of its bonds in its own currency. This gives the United States the advantage of being able to run large budgets deficits and have its bonds still be seen as a safe, risk-free investment.”[27] Compared to other options most investors prefer the relative stability provided by U.S. treasury bonds. Keeping U.S. risks low, to ensure borrowing at low interest rates, is crucial if the U.S. does not want to see the cost of debt payments rise. If the U.S. were to grow more unstable it would put in jeopardy the U.S.’s ability to keep borrowing and repayment costs low.

Based on the last decade, the U.S. has been able to borrow funds at a level that was predicted to be harmful without suffering economic setbacks. The key factors in avoiding economic hardship have been the continued low interest rates and the trust borrowers have in the U.S. as a global safe haven for investments. Low borrowing costs have allowed the U.S. to maintain funding for defense and national security spending as well as entitlement programs. Maintaining, relatively, the status quo has not forced the inevitable budget or debt crisis many projected in the early 2010s. The national debt itself has yet to become a burden to the U.S.

forcing budget cuts and hard choices about spending levels. This has allowed for DoD funding to avoid large reductions, and thus has not presented an economic threat to national security.

**Debt, National Security, and the Role of Congress**

The key factor in maintaining low borrowing costs that prevent large budget reductions has been the U.S.'s ability to receive the lowest possible interest rates. The main actor who is capable of upending this current balance is Congress. Congressional action on appropriating funds, determining revenue levels (tax policy), and authorizing additional borrowing all have direct impacts on trust and confidence from the market[v] regarding whether the U.S. will be able to repay debts. All of these powers are vested in Congress through the constitution. The executive branch plays a role in creating budget requests and recommending policies or changes to taxes and the national debt; however, Congress has no obligation to implement or even listen to executive branch recommendations.

The DoD determines neither its own budget nor the size of the debt: both functions fall under the legislative branch. If Congress has authority over both areas, any risk to national security from the debt will stem from congressional action. National security could be entirely shieled from budget reductions if desired just as Congress could levy heavy cuts upon the DoD. There is potential for creditors outside of the U.S. to have an impact on national security by damaging the U.S. economy in its entirety. This alternate risk and its likelihood serve as a secondary track for the debt to harm national security; however, activities on this front are out of the hands of the DoD and impact the U.S government as a whole with much broader implications beyond DoD funding.

[v] It is nearly impossible to define all the stakeholder's who's trust and confidence make up those that impact the U.S.'s ability to repay the debt. It is not a set group of actors and some voices may gain or lose credibility depending on the situation and circumstance. The market is dynamic and constantly changing.

While constitutionally authorized, Congressional actions, words, and inactions can harm the U.S. It is counterintuitive to think of Congress hurting the U.S., yet there are several ways Congress can work against national security. The clearest tie between Congressional actions and how it creates a threat to national security through the debt is the downgrade of the U.S. credit rating in the summer of 2011. Credit ratings agencies, regulated by the Securities and Exchange Commission (SEC), provide investors with ratings of bonds and other debt vehicles. These ratings are relied upon heavily in helping investors determine the risk associated with a specific type of debt,[28] such as U.S. bonds. After a long political debate in Congress over government spending levels, raising taxes, and the maximum amount of debt the U.S. would allow itself to borrow, compromise legislation was signed on August 2, 2011. Three days later on August 5, one of the largest credit ratings agencies, Standard & Poor's (S&P), downgraded the U.S. credit rating. One of the reasons given pointed directly to Congress and political actions: "The political brinksmanship of recent months highlights what we see as America's governance and policymaking becoming less stable, less effective, and less predictable … the statutory debt ceiling and the threat of default have become political bargaining chips in the debate of fiscal policy."[29] S&P continued in their explanation writing, "… the differences between political parties have proven to be extraordinarily difficult to bridge. …"[30] S&P highlighted that the debate over debt had become so political it was reducing their confidence the U.S. would pay lenders for every penny it had promised. It was now possible for partisanship to prevent an agreement that would allow the U.S. to repay creditors. Bickering and infighting may lead to the U.S. voluntarily defaulting on payments with large consequences that are highly unpredictable. The concerns cited by S&P were entirely Congress's in the making, just as any threat the debt poses.

Many see the rise in debt forcing an inevitable trade-off decision by Congress; pay down debt or fund national security requirements. Todd Harris, a Senior Fellow of Defense Budget Studies at the Center for Strategic and Budgetary Assessments takes this view of paying down debt by painting debt reduction payments as a lost opportunity since dollars spent on debt servicing are not available to be spent on better training or equipping the military.[31] This argument oversimplifies the borrowing and budgeting process in creating only two categories funding can fall into: supporting national security or not.

In reality there are multiple reasons the tradeoff conundrum is overly simplistic, the first of which is the assumption the federal budget is capped at a set amount. Comparing the budget again to a pie, the slice for debt payments is growing ever bigger. If the federal budget is capped the other pieces of pie (national security spending, entitlement spending, etc.) must shrink because the overall size of the pie is limited; however, if the pie itself can grow the dynamic changes. The size of the debt payment piece can increase while keeping the other pieces the same size as long as the overall size of the pie increases to match debt payment increases. Congress cannot simply increase the federal budget limitlessly; the funding must come from somewhere. An additional source of revenue allows the overall budget to grow to cover increased debt payments without reducing funds to support national security and the DoD.

An alternative to tying increased debt to budget cuts, which could impact national security, is borrowing or raising revenue substantially to pay down debt. The easiest method to increase revenues is to increase taxes; however, this is also the most politically unviable option. While universal tax increases are unpalatable to most politicians, limited tax increases are consistently suggested as a practical way to increase tax revenues. Both Congressional Research Service (CRS)[32] and Congressional Budget Office (CBO)[33] reports on debt acknowledge that tax increases are capable of altering the current course of increasing debt perpetually. Only Congress has the authority to implement a tax increase that could be used to pay down the national debt.

The final method that would prevent national security from budget adjustments brought on by larger debt would be for Congress to entirely shield the DoD from changes. There are a variety of reasons Congress would spare the DoD from hard choices under a constrained budget. Parochial interests are a major factor in Congressional cuts and constantly sway policymakers' thoughts on specific budget cuts.[34] This would require more drastic cuts in non-national security areas of the budget that also carry parochial interests as well and is a very political debate. Politics are often the driving force of cuts to one department or another as Congress adjusts budgets to ensure pet programs are not impacted, sometimes at the expense of truly necessary items. DoD reductions to protect a special interest in non-national security funding are clearly a political threat to national security.

Another argument about the inevitability of budget cuts to national security points to the national debt rising to fund the Iraq and Afghanistan wars. Logically, because the DoD contributed to the rise in debt, cuts and reductions must be extracted from the DoD to solve its portion of the debt concerns. Again, this link would have to receive Congressional concurrence, and there is significant doubt if this is a likely answer. Linda Blimes is an expert on budgeting and public finance; currently she is a professor at the Harvard Kennedy School and is a former Assistant Secretary and Chief Financial Officer of the U.S. Department of Commerce who doubts the DoD will face a reduction. She writes, "[m]any in Washington support drastic cutbacks to entitlement programs and other measures in order to reduce the long-term debt obligations of the U.S. government."[35] Entitlement reform, either in the benefits issued or in the resource collected to support them serve as another alternative to the DoD being forced to operate under a significantly reduce budget.

The DoD has demonstrated a poor ability to respond to Congressional reductions. A recent example is the sequestration reductions in FY 2013. Across the DoD sacrifices were made to future projects and capabilities in the name of maintaining current levels of readiness.[36] The goal to maintain readiness did not hold for long and in the following years capabilities would drop and risks would rise.[37] A GAO study later found that after sequestration the DoD, " … did not comprehensively document or assess best practices or lessons learned from their experiences.[38]" Essentially, the DoD did little to learn from the reductions and would likely repeat mistakes and missteps if the department were to face a future reduction.

It is unclear if Congress will take any action that will significantly reduce the national debt in the long term. If Congress does decide to act there are several different paths it can take to curb the projected endless rise in the national debt. There are no easy answers to debt reduction and each method has significant trade-offs. Those decisions and prioritizations are political in nature and all powers to implement – be they budget cuts, debt increases, tax increases, or entitlement reform – are Constitutional authorities of Congress. If the sole decision-making body is Congress, any potential threat of DoD budget cuts becomes political in nature and is not inevitable as others have argued.  If national security is harmed only when budgets are reduced, then politics is the arena from which the harm can originate.

**Actions the DoD Can Take**

The threat the national debt poses to national security is political in nature and to address the political threat the DoD must engage on the topic through communication with Congress to ensure the legislators do not cause damage within the authorized mission and tasking of the DoD.

In general, the DoD aims to avoid political activities to ensure the public trust is not violated as that trust is critical in carrying out the DoD mission. Active-duty members are barred from engaging in partisan political activities[39] and senior officers are often hesitant to engage on matters of political implications as to not appear biased. It is incumbent upon the DoD to identify the risks associated with a policy or funding reduction. While Congress may still carry out the harmful reduction, as is its constitutional authority, the DoD must attempt every reasonable measure to prevent harm to national security.

While uniformed personnel are severely limited in activities regarding political situations the DoD has multiple political appointees that are capable of discussing the political implications of reductions. Service Secretaries exist to ensure civilian control of the department but also are not limited by the active-duty political restrictions that handcuff all servicemembers. Raising the concern from those confirmed political appointees can provide Congress with the clear picture of the negative aspects and implications of a budget reduction. Further, they have the authority and ability to move the discussion into the public view and assist the DoD in preventing reductions that are political and do not serve the best interests of the country. Public outcry may be sufficient to fend off the most self-serving earmarks or cuts suggested by Congress.

DoD warnings to Congress about the risks and shortfalls of a funding decision are often undercut by the DoD constantly changing the story and narrative. Unnecessary, self-inflicted scrutiny is brought upon the DoD budget request when simple questions cannot be answered or the DoD changes the explanation behind risk and funding requirements from year to year. A prime example was on display as the Marine Corps presented its force design plan in the spring of 2020. The President's budget had been submitted to Congress on February 10, 2020 including Marine Corps funds requesting over $70 million to support tank operations.[40] The next month, the Commandant released information about how the Marine Corps would change the force over the next decade, to include the removal of all tanks. Tanks would not be removed immediately, and some funding requested would be necessary, yet the near instant change whiplash is an example of unnecessarily eroding Congressional confidence in the message the DoD provides. A budget reduction is more likely when Congress does not believe the risk explanations the DoD offers and makes political decisions using its own criteria. Consistent messages and trust in the DoD narrative built over time will assist the DoD in ensuring Congress does not force harmful budget reductions on the department for political reasons.

There are instances where Congress provides funds to programs the DoD does not believe are value added and hurts national security by preventing funding from going to programs that advance national security. One of the most notorious examples is Congressional funding for developing an extra F-35 engine. Although unwanted by the DoD and predominantly unrequested in the budget, Congress forced $3 billion in spending for the engine before the program was terminated.[41] Funding for pet projects, known as earmarks, totaled $1.7 billion as part of the DoD appropriations bill for FY 2010.[42] Earmarks were banned for roughly a decade but have been recently revived for use moving forward.[43] Earmarks are another avenue for Congress to divert resources from needing programs to those that may not be in the best interest of national security while adding to the national debt. The DoD must clearly, and publicly, make it know when earmarks are used by Congress to improve their political position at the detriment of the nation.

Another source of harm to the trust between Congress and the DoD is the inability for the DoD to pass a comprehensive financial audit. An annual audit of financial statements, required by law, is expected to serve as a verification tool that ensures resources are being used legally and with sufficient internal controls to prevent against fraud, waste, and abuse.[44] The DoD has continued to push back the date it will be financially auditable while asking for ever-increasing funding levels to support the audit process.[45] Arguing against budget reductions citing risk concerns is undermined by the DoD's inability to accurately identify and track all aspects of what funding is applied to in a given year. Failing to pass the audit perpetuates the concept that funds are lost, wasted, or misused and if the DoD would tighten control measures there would not be budget shortfalls. Regularly the DoD is forced to provide explanations for negative headlines[46] regarding poor financial management. Lawmakers are able to spin poor accounting practices into their own narrative that fits their political agendas.[47] The DoD is compelled to provide highly technical and often confusing information in an attempt to disprove a lack of control. When an independent audit is completed it will serve as a verified backstop to support DoD funding requirements. Risk assessments and funding requests will gain a level of creditability Congress does not currently receive from current DoD information.

The DoD can conduct internal reforms that will demonstrate an even greater level of self-awareness and efficiency in spending funds as a way to stem budget reductions. The concept of reforming DoD processes to ensure the efficient use of funding is prevalent annually in budget request documents; however, these concepts are often more about displaying large numbers and ideas to Congress without executing the reform and achieving the savings. DoD budget documents list savings in the billions of dollars caused by changes to programs with little to no likelihood of being implemented. These continued inflated numbers numb Congress to true savings achievable and can even antagonize Congress with recommendations that are unlikely to be passed into law. Examples include the DoD 2020 Defense Budget Overview which claimed $200 million in savings by converting permanent change of station (PCS) funding to a two-year period of availability,[vi] a proposal extremely unlikely to draw approval from Congress. Another proposed reform credited with billions in savings was the early retirement of the *USS Harry S. Truman* aircraft carrier.[48] Again, these large savings were accounted for in budget request documents with no likelihood of being implemented as the plans faced bipartisan condemnation. Continued suggestions of flimsy savings proposals only push Congress further away from accepting department narratives on budget shortfalls and internal realignment plans achieved through reforms. The DoD must refocus efforts on reporting reforms that have a strong likelihood of materializing instead of cobbling together the largest dollar figure of potential reforms for budget briefs in an attempt to "wow" Congress. The DoD can prevent some level of cuts by demonstrating internal reviews and controls that increase efficiency or effectiveness of dollars spent. Defense budgets are much more likely to be maintained if Congress is presented with achieved savings from these reforms instead of sold future hopes that are unproven.

One of the most effective measures the DoD can employ when explaining risks of budget reductions to Congress is clearly identifying when the DoD is unable to complete a task or a mission has shortfalls. The DoD admitting it is not ready for a specific task or unable to accomplish a goal is counter to the culture of the department. In the midst of budget reductions due to sequestration the FY 2015 budget request meekly stated the DoD would have "… gaps in training and maintenance and … a reduced margin of error in dealing with risks of uncertainty …"[49] This glossing over fails to outline the hardship Congress creates with large budget reductions. The DoD must clearly state when it no longer has the resources available to accomplish the tasks it is given. A recent opinion article by the Commandant of the Marine Corps David Berger and Air Force Chief of Staff Charles Brown Jr. highlights the current

---

[vi] Period of availability is the period of time in which budget authority is available for original obligations. Currently PCS funding is only available for one year, known as an annual appropriation. DoD Financial Management Regulations Vol 1, Definitions.

mindset as a fixation on readiness. They identified that the department is gripped with preparing units for today's fight but is not adequately planning and funding the force necessary to fight tomorrow.[50] Their suggested framework ensures more resource emphasis on the future, at the expense of the capabilities in the present. To execute this new readiness definition the DoD would need to be ready to explain to Congress a degraded capability in the present to allow for a stronger capability in the future. Following a measured plan that is fiscally responsible would require the DoD to be honest with Congress in areas where it is not ready or capable at a moment's notice but needs time to develop the force needed for the future.

| Recommendation | Reasoning |
|---|---|
| DoD use political appointees to engage in political discussions that involve the public. | Informs the public of Congressional action that is not in the best interest of the U.S. |
| DoD ensures consistent messages in budget submissions year over year. | DoD builds trust and familiarity with Congress lowering the likelihood of budget reductions. |
| DoD identifies earmarks that do not improve national security. | Informs the public of Congressional action that is not in the best interest of the U.S. |
| DoD complete an independent financial audit as required by law | Verifies DoD has control measures that ensure the correct use of funds giving legitimacy to declared shortfalls or areas of risk. |
| Focus reform efforts on those that will produce substantial savings AND are likely to be implemented | Demonstrates the DoD is responsible in self-identifying areas that can be changed to improve efficiency and effectiveness of funding |
| DoD change department culture to provide more accurate and relevant readiness assessments, to include being willing to state a capability is non- mission capable. | Shows the DoD is following a measured plan and accurately reflects the state of DoD capabilities. |

Figure 1: Summary of Recommendation for DoD Actions

**Conclusion**

Admiral Mullens' worry about the debt was misplaced in the inevitability of budget reductions but was correct in the mindset that the DoD should be concerned and look to act. The size of the national debt does not inherently increase risk to national security. Additionally, because the U.S. holds a special status atop the global economy it has a unique ability to increase debt to levels not previously believed as practical. The U.S. continues to borrow at low interest rates which keeps borrowing costs down and prevents many of the negative aspects of a large amount of debt or a high debt-to-GDP ratio.

Congress is the center of all activity for debt and national defense spending. Within its constitutional authorities is has the ability to harm national security through steps it takes or fails to take. The greatest risk to national security is from politically motivated budget reductions implemented by Congress. These reductions will likely have short-term and long-term negative impacts. Additionally, Congressional gridlock may harm the U.S. through multiple avenues. The DoD is not incapable of impacting Congress and must work to guide their actions in the best interest of the U.S.

The DoD must be aware of the broader fiscal climate of the U.S. and not ignore the politically motivated activities of Congress. Aggressive action should be taken on multiple fronts to ensure Congress has valid information and supporting evidence to believe the risk analysis provided by the DoD. Building trust with Congress through verifiable actions, such as an independent clean audit, can be the difference between cuts that harm national security and those that are absorbable within funding amounts. When necessary the DoD should not be afraid to employ political appointees in a political arena. Taken together, these actions are likely to limit the chances the DoD is forced to operate with a budget that has suffered from a large funding reduction that harms national security.

---

[1]Performance.gov, “Department of Defense,” accessed January 15, 2021, https://www.performance.gov/defense/#:~:text=The%20Department%20of%20Defense's%20enduring,the%20security%20of%20our%20nation.

[2] Kate Brannen, “Mullen focuses on debt as threat,” *Politico.com*, December 6,2012, https://www.politico.com/story/2012/12/mike-mullen-focuses-on-debt-as-security-threat-084648

[3] Treasury Direct, “Historical Debt Outstanding – Annual 2000-2020,” accessed March 24, 2021, last modified October 2, 2020, https://www.treasurydirect.gov/govt/reports/pd/histdebt/histdebt_histo5.htm

[4] Congressional Budget Office, *The Budget and Economic Outlook: 2021 to 2031* (Washington, DC: Congressional Budget Office, 2021) 1, https://www.cbo.gov/publication/56970

[5] Alexander Hamilton, “No. 30: Concerning the General Power of Taxation,” in *The Federalist Papers* (New York: New American Library, 1961) 184.

[6] Hamilton, *The Federalist Papers*, 184.

[7] Jonathan Lipow, *Survival: The Economic Foundations of American National Security* (Lanham, Maryland: Lexington Books, 2016), 23-24.

[8] Grant A. Driessen, *The Federal Budget: Overview and Issues for FY2019 and Beyond*, CRS Report for Congress R45202 (Washington, DC: Congressional Research Service, May 21, 2018), 10, https://crsreports.congress.gov/product/pdf/R/R45202/3

[9] Treasury Direct, “Historical Debt Outstanding”

[10] Congressional Budget Office, *The Budget and Economic Outlook,* 2

[11] Jane G. Gravelle, *Addressing the Long Run Deficit A Comparisons of Approaches*, CRS Report for Congress R45717 (Washington, DC: Congressional Research Service, May 14, 2019), 1, https://fas.org/sgp/crs/misc/R45717.pdf

[12] Richmond M. Lloyd, ed. “Panel II: Federal Budget – Resourcing National Priorities Summary of Discussion,” in *Economics and Security: Resourcing National Priorities (*Newport, Rhode Island: Naval War College, 2010), 92.

[13] Nathan Perry, “Debt and Deficits: Economic and Political Issues,” *An ECI Teaching Module on Social and Economic Issues,* Economics in Context Initiative, Global Development Policy Center, (Boston University 2020), 29, http://www.bu.edu/eci/education-materials/teaching-modules/.

[14] Brad W. Setser, *Sovereign Wealth and Sovereign Power: The Strategic Consequences of American Indebtedness* (New York: Council on Foreign Relations Press, 2008), 3–4.

[15] Lipow, *Survival, 24.*

[16] Nazim Belhocine and Salvatore Dell’Erba, “The Impact of Debt Sustainability and the Level of Debt on Emerging Markets Spreads,” *IMF Working Paper* (2013), 4, https://www.imf.org/external/pubs/ft/wp/2013/wp1393.pdf

[17] C. Fred Bergsten, ed., *The Long-Term International Economic Position of the United State.* (Washington, DC: Peterson Institute for International Economics), 2, https://search-ebscohost-com.lomc.idm.oclc.org/login.aspx?direct=true&db=e000xna&AN=281229&site=ehost-live.

[18] Lloyd, *Economics and Security,* 89.

[19] Congressional Budget Office, *The Budget and Economic Outlook,* 2

[20] Perry, “Debt and Deficits,” 21.

[21] Perry, “Debt and Deficits,” 25.

[22] Andrea Pescatori, Damiano Sandri, and John Simon, “Debt and Growth: Is There a Magic Threshold,” *International Monetary Fund*, February 2014, 14.

[23] Perry, “Debt and Deficits,” 25.

[24] Congressional Budget Office, *The Budget and Economic Outlook,* 2

[25] Colonel Martin L. Blank, “The Impact of National Debt on U.S. National Security” (program research project, U.S. Army War College, 2011), 1, Defense Technical Information Center, https://apps.dtic.mil/dtic/tr/fulltext/u2/a564995.pdf

[26] Douglas W. Elmendorf and Louise M. Sheiner, "Federal Budget Policy with an Aging Population and Persistently Low Interest Rates," *Journal of Economic Perspectives*, 31 (3), 182.

---

[27] Perry, "Debt and Deficits," 29.
[28] Mark Jickling, *Standard & Poor's Downgrade of U.S. Government Long Term Debt,* CRS Report for Congress R41955 (Washington, DC: Congressional Research Service, August 9, 2011), 1-2, https://fas.org/sgp/crs/misc/R41955.pdf
[29] Staff, "U.S. credit rating downgrade," S&P Blog, August 7, 2011. https://www.standardandpoors.com/en_U.S./web/guest/article/-/view/sourceId/6802837.
[30] Staff, "U.S. credit rating downgrade," S&P Blog.
[31] Todd Harris, "The New Guns Versus Butter Debate," *Center for Strategic and Budgetary Assessments* (2010), 10, https://csbaonline.org/uploads/documents/2010.05.24-The-New-Guns-Versus-Butter-Debate.pdf
[32] Gravelle, *Addressing the Long Run Deficit A Comparisons of Approaches,* 2-3.
[33] Congressional Budget Office, *Federal Debt: a Primer* (Washington, DC: Congressional Budget Office, 2020) 24, https://www.cbo.gov/publication/56165#:~:text=At%20%2416.8%20trillion%2C%20debt%20held,percent%20of%20GDP%2C%20by%202030.
[34] Rosella Cappella Zielinski and Kaija Schilde, "Hatchet or Scalpel? Domestic Politics, International Threats and US Military Spending Cuts, 1950-201," *Security Studies*, 9, DOI: https://doi.org/10.1080/09636412.2019.1631379
[35] Linda Bilmes, "The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Constrain Future National Security Budgets," *HKS Working Paper No RWP13*-006, (2013), 20, https://ssrn.com/abstract=2281275
[36] Aaron Mehta, "Former US Air Force head details decision to cut maintenance budgets in 2013," *militarytimes.com*, May 8, 2018 https://www.militarytimes.com/news/your-military/aviation-in-crisis/2018/05/08/former-us-air-force-chief-details-decision-to-cut-maintenance-budgets-in-2013/
[37] Cheryl Pellerin, "Service Chiefs Detail 2014 Sequestration effects," *af.mil,* September 19, 2013, https://www.af.mil/News/Article-Display/Article/467167/service-chiefs-detail-2014-sequestration-effects/.
[38] Government Accountability Office, *Sequestration: Documenting and Assessing Lessons Learned Would Assist DOD in Planning for Future Budget Uncertainty* (Washington, DC: Government Accountability Officer, 2015), 0, https://www.gao.gov/products/gao-15-470.
[39] US Department of Defense, *Political Activities by Members of the Armed Forces*, Directive 1344.10, February 19, 2008, 2.
[40] US Department of the Navy, *Fiscal Year 2021 Budget Estimates Operation and Maintenance, Marine Corps (OMMC) Volume II Data Book,* February 2020, 39 & 42, https://www.secnav.navy.mil/fmc/fmb/Documents/21pres/OMMC_Vol%20II_Book.pdf; US Department of the Navy, *Fiscal Year 2021 Budget Estimates Overseas Contingency Operations (OCO) Request*, February 2020, 357, https://www.secnav.navy.mil/fmc/fmb/Documents/21pres/OCO_BOOK.pdf.
[41] Sharyl Attikisson, "House GOP Bucks Boehner, Kills Funding for Extra F-35 Engine," *cbsnews.com*, February 16, 2011, https://www.cbsnews.com/news/house-gop-bucks-boehner-kills-funding-for-extra-f-35-engine/.
[42] Walter Alarkon, "Self-imposed Republican moratorium leads to drop in 2011 earmark spending," *thehill.com,* August 1, 2010, https://thehill.com/policy/finance/112059-gop-moratorium-leads-to-drop-in-2011-earmark-spending
[43] Susan Davis, "Bipartisan Agreement In Congress To Revive Earmarks" Heard on All Things Considered, *npr.org,* March 26, 2021, https://www.npr.org/2021/03/26/981722561/bipartisan-agreement-in-congress-to-revive-earmarks
[44] Raj Gnanarajah, *Department of Defense First Agency-wide Financial Audit (FY2018): Background and Issues for Congress,* CRS Report for Congress R46067 (Washington, DC: Congressional Research Service, November 27, 2019), 1, https://fas.org/sgp/crs/natsec/R46067.pdf
[45] Mike Stone, "Pentagon fails audit yet again, could pass around 2027 comptroller says" *reuters.com*, November 16, 2020, https://www.reuters.com/article/us-usa-pentagon-auditor/pentagon-fails-audit-yet-again-could-pass-around-2027-comptroller-says-idU.S.KBN27X03P.
[46] Anthony Capaccio, "Pentagon Racks Up $35 Trillion in Accounting Changes in One Year" *bloomberg.com*, January 22, 2020, https://www.bloomberg.com/news/articles/2020-01-22/pentagon-racks-up-35-trillion-in-accounting-changes-in-one-year.

[47] Linda Qiu, "The Misleading Claim That $21 Trillion in Misspent Pentagon Funds Could Pay for 'Medicare for All'" *nytimes.com*, December 3, 2018, https://www.nytimes.com/2018/12/03/us/politics/fact-check-pentagon-medicare-alexandria-ocasio-cortez.html.
[48] Ryan Pickrell, "The Pentagon has tried twice this year to mothball one of its aircraft carriers, but it keeps getting shut down," *Businessinsider.com*, December 30, 2019, https://www.businessinsider.com/pentagon-tried-again-to-retire-carrier-harry-s-truman-early-2019-12#:~:text=%22We%20made%20the%20difficult%20decision,2020%20budget%20released%20in%20March.
[49] US Department of Defense*, Fiscal Year 2015 Budget Request Overview,* March 2014, 1-1, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf
[50] Charles Q. Brown Jr. and David H. Berger, "To compete with China and Russia, the U.S. military must redefine 'readiness,'" *washingtonpost.com,* February 1, 2021 https://www.washingtonpost.com/opinions/2021/02/01/brown-berger-military-readiness/.

**Bibliography**

Alarkon, Walter "Self-imposed Republican moratorium leads to drop in 2011 earmark spending," *thehill.com*, August 1, 2010, https://thehill.com/policy/finance/112059-gop-moratorium-leads-to-drop-in-2011-earmark-spending.

Attikisson, Sharyl. "House GOP Bucks Boehner, Kills Funding for Extra F-35 Engine." *cbsnews.com*, February 16, 2011. https://www.cbsnews.com/news/house-gop-bucks-boehner-kills-funding-for-extra-f-35-engine/.

Belhocine, Nazim and Salvatore Dell'Erba, "The Impact of Debt Sustainability and the Level of Debt on Emerging Markets Spreads." *IMF Working Paper* (2013), https://www.imf.org/external/pubs/ft/wp/2013/wp1393.pdf.

Bergsten, C. Fred, ed. *The Long-Term International Economic Position of the United State.* Washington, DC: Peterson Institute for International Economics, 2009, https://search-ebscohost-com.lomc.idm.oclc.org/login.aspx?direct=true&db=e000xna&AN=281229&site=ehost-live.

Bilmes, Linda. "The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Constrain Future National Security Budgets." *HKS Working Paper No RWP13-006* (2013), https://ssrn.com/abstract=2281275.

Blank, Colonel Martin L. "The Impact of National Debt on U.S. National Security." Program Research Project, U.S. Army War College, 2011. Defense Technical Information Center. https://apps.dtic.mil/dtic/tr/fulltext/u2/a564995.pdf.

Brannen, Kate. "Mullen focuses on debt as threat." *Politico.com* (2012), https://www.politico.com/story/2012/12/mike-mullen-focuses-on-debt-as-security-threat-084648

Brown, Charles Q. Jr. and David H. Berger. "To compete with China and Russia, the U.S. military must redefine 'readiness.'" *washingtonpost.com* (2021) https://www.washingtonpost.com/opinions/2021/02/01/brown-berger-military-readiness/.

Capaccio, Anthony. "Pentagon Racks Up $35 Trillion in Accounting Changes in One Year." *bloomberg.com*, January 22, 2020. https://www.bloomberg.com/news/articles/2020-01-22/pentagon-racks-up-35-trillion-in-accounting-changes-in-one-year.

Congressional Budget Office. *Federal Debt: A Primer* Washington, DC: Congressional Budget Office, 2020. https://www.cbo.gov/publication/56165#:~:text=At%20%2416.8%20trillion%2C%20debt%20held,percent%20of%20GDP%2C%20by%202030.

Congressional Budget Office. *The Budget and Economic Outlook: 2021 to 2031.* Washington, DC: Congressional Budget Office, February 11, 2021. https://www.cbo.gov/publication/56970.

Davis, Susan. "Bipartisan Agreement In Congress To Revive Earmarks" Heard on All Things Considered, *npr.org*. March 26, 2021, https://www.npr.org/2021/03/26/981722561/bipartisan-agreement-in-congress-to-revive-earmarks.

Driessen, Grant A. *The Federal Budget: Overview and Issues for FY2019 and Beyond*. CRS Report for Congress R45202. Washington, DC: Congressional Research Service, May 21, 2018. https://crsreports.congress.gov/product/pdf/R/R45202/3

Elmendorf, Douglas W., and Louise M. Sheiner, "Federal Budget Policy with an Aging Population and Persistently Low Interest Rates," *Journal of Economic Perspectives*, 31 (3), 2017.

Gnanarajah, Raj. *Department of Defense First Agency-wide Financial Audit (FY2018): Background and Issues for Congress*. CRS Report for Congress R46067. Washington, DC: Congressional Research Service, November 27, 2019 https://fas.org/sgp/crs/natsec/R46067.pdf.

Gravelle, Jane G. *Addressing the Long Run Deficit A Comparisons of Approaches.* CRS Report for Congress R45717. Washington, DC: Congressional Research Service, May 14, 2019. https://fas.org/sgp/crs/misc/R45717.pdf

Hamilton, Alexander. "No. 30: Concerning the General Power of Taxation." In *The Federalist Papers,* 183-188. New York: New American Library, 1961.

Harris, Todd. "The New Guns Versus Butter Debate." *Center for Strategic and Budgetary Assessments* (2010), https://csbaonline.org/uploads/documents/2010.05.24-The-New-Guns-Versus-Butter-Debate.pdf.

Jickling, Mark. *Standard & Poor's Downgrade of U.S. Government Long Term Debt.* CRS Report for Congress R41955. Washington, DC: Congressional Research Service, August 9, 2011. https://fas.org/sgp/crs/misc/R41955.pdf.

Lipow, Jonathan. *Survival: The Economic Foundations of American National Security.* Lanham, Maryland: Lexington Books, 2016.

Lloyd, Richmond M. ed. "Panel II: Federal Budget – Resourcing National Priorities Summary of Discussion." In *Economics and Security: Resourcing National Priorities,* 89-93. Newport, Rhode Island: Naval War College, 2010.

Mehta, Aaron. "Former US Air Force head details decision to cut maintenance budgets in 2013." *militarytimes.com* (2018) https://www.militarytimes.com/news/your-military/aviation-in-crisis/2018/05/08/former-us-air-force-chief-details-decision-to-cut-maintenance-budgets-in-2013/.

Pellerin, Cheryl. "Service Chiefs Detail 2014 Sequestration effects." *af.mil* (2013) https://www.af.mil/News/Article-Display/Article/467167/service-chiefs-detail-2014-sequestration-effects/.

Perry, Nathan. "Debt and Deficits: Economic and Political Issues." *An ECI Teaching Module on Social and Economic Issues*. Economics in Context Initiative, Global Development Policy Center. Boston University. (2020) http://www.bu.edu/eci/education-materials/teaching-modules/.

Pescatori, Andrea, Damiano Sandri, and John Simon. "Debt and Growth: Is There a Magic Threshold," *International Monetary Fund*, February 2014.

Pickrell, Ryan. "The Pentagon has tried twice this year to mothball one of its aircraft carriers, but it keeps getting shut down." *Businessinsider.com* (2019) https://www.businessinsider.com/pentagon-tried-again-to-retire-carrier-harry-s-truman-early-2019-12#:~:text=%22We%20made%20the%20difficult%20decision,2020%20budget%20released%20in%20March.

Qiu, Linda. "The Misleading Claim That $21 Trillion in Misspent Pentagon Funds Could Pay for 'Medicare for All.'" *nytimes.com* (2018) https://www.nytimes.com/2018/12/03/us/politics/fact-check-pentagon-medicare-alexandria-ocasio-cortez.html.

Setser, Brad W. *Sovereign Wealth and Sovereign Power: The Strategic Consequences of American Indebtedness.* New York: Council on Foreign Relations Press, 2008.

Stone, Mike "Pentagon fails audit yet again, could pass around 2027 comptroller says." *reuters.com* (2020) https://www.reuters.com/article/us-usa-pentagon-auditor/pentagon-fails-audit-yet-again-could-pass-around-2027-comptroller-says-idU.S.KBN27X03P.

US Department of Defense. *Fiscal Year 2015 Budget Request Overview*. March 2014. https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf.

US Department of Defense. *Political Activities by Members of the Armed Forces*. Directive 1344.10, February 19, 2008.

US Department of the Navy, *Fiscal Year 2021 Budget Estimates Operation and Maintenance, Marine Corps (OMMC) Volume II Data Book*. February 2020. https://www.secnav.navy.mil/fmc/fmb/Documents/21pres/OMMC_Vol%20II_Book.pdf.

US Department of the Navy, *Fiscal Year 2021 Budget Estimates Overseas Contingency Operations (OCO) Request*. February 2020. https://www.secnav.navy.mil/fmc/fmb/Documents/21pres/OCO_BOOK.pdf.

US Government Accountability Office. *Sequestration: Documenting and Assessing Lessons Learned Would Assist DOD in Planning for Future Budget Uncertainty.* Washington, DC: Government Accountability Officer, 2015. https://www.gao.gov/products/gao-15-470.

Zielinski, Rosella Cappella and Kaija Schilde. “Hatchet or Scalpel? Domestic Politics, International Threats and US Military Spending Cuts, 1950-2014” *Security Studies.* DOI: https://doi.org/10.1080/09636412.2019.1631379.