

HACKMUN IV
PRESIDENTIAL CABINET: UNITED STATES DEFAULTS ON DEBT
CRISIS COMMITTEE



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Note from the Chairs

Hello Delegates,

Our names are Noah Nager and Advith Sharma and it is our pleasure to welcome you to HackMUN IV's Presidential Cabinet on the U.S. Default on Debt committee. We are honored to have the responsibility to organize this in-person conference with our dedicated staff for you. We are very excited for this committee and recognize how it brings up a very timely and pressing concern to our nation. We encourage you to read through the entirety of the background guide as there are some important technicalities in how your powers will function that are different from other Crisis Committees that you might have participated in. We also encourage you to undertake your own research as doing so will prepare us to dive straight into this challenging topic on the day of the conference. We hope your differing perspectives will lead to more creative solutions and we look forward to a day of debate, policy-making, compromise, problem-solving in response to various crises, and most importantly, fun!

Feel free to contact us with any questions regarding the substance of the committee, your personal powers, or anything else. See you at HackMUN IV!

Sincerely,

Noah Nager, Chair, HackMUN IV

Advith Sharma, Secretary-General, HackMUN IV

Chairs for the U.S. Default on Debt Crisis Committee

usdebthackmun@gmail.com

Committee Procedures

Position Papers

If you wish to be considered for an award this year at HackMUN IV, you must turn in a position paper. Position Papers help you prepare effectively for debate and engage meaningfully with the topic before the day of the conference. Furthermore, your chairs can better understand the unique issues and possible solutions, and your committee position at large, prior to the actual beginning of the committee. For this specialized assembly, the ideal position paper demonstrates a solid grasp of the history of the U.S debt crisis as well as the challenges that need to be addressed. More importantly, you should attempt to describe your position/stance within the conflict and the resources you potentially have at your disposal. Lastly, you should brainstorm potential solutions to the challenges at hand. Please send position papers less than 2 pages in length, 1.5 inch spacing in EITHER Google Doc or PDF format by 11:59 pm on April 7th, 2022 to usdebthackmun@gmail.com. If you would like to receive feedback or have any questions, please indicate the way in which you would like the chair to provide the feedback (Google Docs comments or email). If you would not like feedback, you must submit the position paper by 11:59 pm on April 8th, 2022.

Directives

See below in this background guide for all the different types of directives. In this committee, they are a little more complicated than in a typical conference given the realistic simulation of a Presidential Cabinet we are trying to achieve. Carefully read through all of them. On the day of the conference, you will have the opportunity to collect paper copies of directive templates and fill them out over the course of the committee as you please.

Committee Background and History

Committee Background

This crisis committee will deal with both the domestic and international economic, political, and military ramifications of the United States defaulting on its debt. As the effects of the default begin to compound, you will be tasked with ensuring that the United States remains in its position of global economic, political, and military dominance, to the extent that it is possible. Delegates will take roles as members of President Joe Biden's Cabinet, with the addition of a few extra positions not typically found in the Cabinet. But, as all members of the Cabinet fall across the range of political stances and have varying areas of importance, conflict not only internationally, but internally can be assured.

The United States's national debt recently surpassed \$30 trillion, or over 130% of U.S. GDP. A default on this debt has never occurred but in recent months has been threatened in Congress and has been used as a bargaining chip in negotiations. But what if a default did occur? What would happen? How would Americans and the rest of the world react? Mandatory and discretionary programs could soon run out of cash, leaving millions of Americans without basic social security benefits and health care. The U.S. credit rating could be downgraded, causing interest rates to rise and putting upward pressure on prices. Trust between other nations and the United States could be degraded, causing the U.S. to lose its footing on the world stage. Countries could move away from the United States and the U.S. Dollar and towards adversarial countries like China. A recession could occur, damaging the U.S. and world economy for decades to come, and causing job loss not seen since the Great Recession. If worst comes to worst, foreign nations could call their debt and decide that the only way to reclaim it would be to invade. In this crisis committee, these situations and more will be brought up and delegates will be tasked with finding creative and innovative solutions to prevent the debt default from spiraling out of control.

History

"I, however, place economy among the first and most important republican virtues, and public debt as the greatest of the dangers to be feared." Thomas Jefferson wrote these words to William Plumer, the incumbent Governor of New Hampshire on July 21, 1816, and over 200 years later, these words still ring true. Since its founding in 1776, the United States has only once been free of debt under President Andrew Jackson. Following World War II, the U.S. debt has steadily ballooned from \$285,000,000,000 to \$30,300,000,000,000, amounting to almost an 11,000% increase.

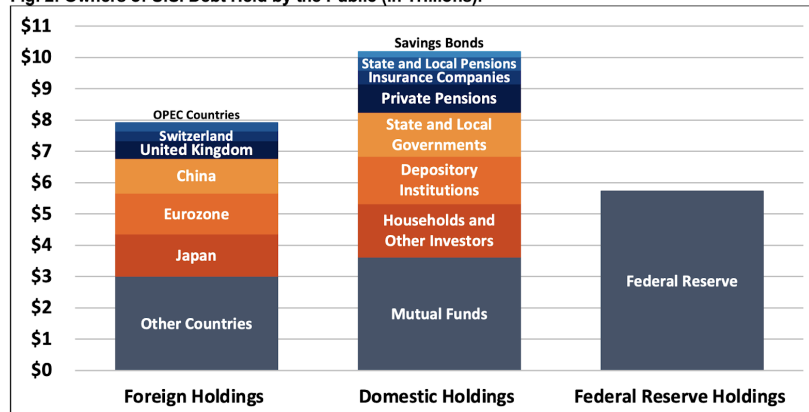
This dramatic increase in debt has brought its own concerns along with it. While the debt ceiling has been around since 1917 to deal with these concerns, crises related to the debt ceiling only began to arise within the last 20 to 30 years. A debt ceiling crisis occurs when infighting in Congress prevents Congress from passing legislation to raise the debt ceiling, prohibiting the Treasury from making its required payments. The United States has never failed to raise its debt ceiling but recently, it has come to the brink of default. Notably, in 2021, Congress failed to renew the suspension of the debt ceiling, leading the Treasury to take “extraordinary measures” to ensure that the United States still paid its debts.

This simulation will deal with a scenario in which Congress has failed to raise the debt ceiling. As a result of this failure to raise the debt ceiling, the Treasury has been barred from borrowing further debt and has begun to default on its debt obligations. The following will detail the important aspects of U.S. debt and the potential ramifications of a default on debt.

U.S. public debt takes the form of U.S. Treasury securities, such as bonds, bills, and notes. The Treasury sells these securities to investors in order to generate revenue for the government in the form of a loan. U.S. Treasuries are generally considered to be risk-free, making them a sought-after asset, especially to complement more risky investments in things like stocks.

As of March 18, 2022, of the exactly \$30,284,575,737,668.34 in total U.S. debt, \$6,496,915,869,938.85 was intragovernmental holdings, or money that the government owes to itself, leaving exactly \$23,787,659,867,729.49 as public debt. Public debt can be held by anyone or anything — domestic U.S. citizens, foreigners, corporations, and other foreign governments. Below is a graphic showing the distribution of the U.S. federal debt among the various entities listed above:

Fig. 2: Owners of U.S. Debt Held by the Public (in Trillions).



Sources: Federal Reserve, U.S. Department of Treasury, and Committee for a Responsible Federal Budget estimates based on June 2021 distribution of holdings.

Of the approximately \$7.9 trillion in foreign-held debt, \$1.3 trillion is held by Japan, \$1.1 trillion is held by China, \$566.5 billion is held by Great Britain, \$311.8 billion is held by Luxembourg, and \$309.4 billion is held by Ireland. Domestically roughly \$10.2 trillion of debt is not held by the Federal Reserve and according to the Committee for a Responsible Federal Budget, “mutual funds hold about 36 percent of domestic debt holdings not held by the Federal Reserve, depository institutions hold about 15 percent, private pension funds hold 9 percent, and insurance companies own just over 4 percent. About 14 percent is held by state and local governments ... and another 4 percent is held by pension funds for their employees. About 1 percent is held by the owners of savings bonds, which are sold directly by the Treasury and are not traded on the private market. The remaining 17 percent is held by other investors, including households, nonfinancial businesses, and government-sponsored enterprises.” Finally, the Federal Reserve currently holds around \$5.7 trillion in U.S. debt, up from around \$2.5 trillion before the COVID-19 pandemic.

From a U.S. default on debt, arise scores of potential international and domestic issues. On the international side, tensions between the various nations are at the low end of possible ramifications with escalations to all-out war possible on the extreme end. Having been trusted with trillions of dollars in loans from foreign nations, a default on U.S. debt would certainly shake the international trust in not just U.S. credit but in the U.S. as a whole. A downgrading of credit rating would be almost certain and with a downgrading of credit rating would come a faltering of U.S. capital inflow. Countries with trillions and billions of dollars in the U.S. might demand their money back and resort to more extreme measures to recover their lost capital. Among these could include seizures of U.S. property, which could mean further escalation. And, many of the countries with a large amount invested in the U.S. are U.S. allies but a default could mean that those countries back away from their once-keen partnerships and turn to other countries like China. Lastly, but certainly not an end to the list of the multitudes of potential international ramifications, a collapse, or even recession of the U.S. economy could lead to international economic collapses. Just look at the Great Depression and the Great Recession as examples of the international economic impacts of American economic downturns. And, economies in decline have proven to be breeding grounds for all kinds of instability and chaos.

Domestically, challenges could prove as great, if not greater than international challenges. According to the Council of Economic Advisors, “an actual default of any amount of time would inflict a devastating blow... for decades to come.” In the same report by the CEA, they write:

“A default would fundamentally hinder the Federal government from serving the American people. Payments from the Federal government that families rely on to make ends meet would be endangered. The basic functions of the Federal

government—including maintaining national defense, national parks, and countless others—would be at risk. The public health system, which has enabled this country to react to a global pandemic, would be unable to adequately function.”

Money that the government uses to pay for essential services like Social Security, Medicare/Medicaid, Veterans’ Disability, Unemployment, and more would become unavailable. It is estimated that over half of Americans receive some form of entitlement from the government. Without money to fund government assistance programs, 56 million people would be left without retirement or survivors benefits. Of those, 12 million people rely on Social Security as their only means of support. 142 million people receive some form of government assistance for healthcare, whether it be Medicare, Medicaid, or CHIP. 9 million citizens rely on Veterans’ programs, 42 million people rely on the Supplemental Nutrition Assistance Program, 60 million children receive the Child Tax Credit, 10 million people receive housing assistance, 11 million students receive financial aid, and 30 million children are a part of the school lunch program. America’s social safety net would grow holes so large that it wouldn’t be able to brace the fall of everyday Americans.

Further, there exist the potential economic and financial impacts of a default on the domestic economy. With government bonds having to raise coupon rates in order to attract more investors, corporate bonds would have to follow suit so as not to be crowded out. This would cause a drop in profits as more money goes to pay bondholders. With recent threats of default, the stock market has taken hits, so it is only up to the imagination to determine what the effects of a true default would be. With interest rates, on the whole, going up, Americans would see mortgages and other interest-related payments balloon and there would be the potential of a housing market collapse. The sudden cut-off of capital inflow to the United States would leave companies without funds as investors flee for other safer investments. As you can probably see, the economic impacts on the American economy could be endless, in turn creating a cascading effect of an endless amount of ramifications for the global economy.

Questions to Consider

1. How can the United States manage and maintain international trust and prevent escalating conflicts, thereby preserving its leadership on the global stage?
2. How can the United States continue to support its social safety net?
3. How can the United States manage the crisis at home and protect the domestic mortgage market and corporate interests?
4. How can you, as a delegate, make sure that you come out of the crisis with the American public's view of you intact? How can you ensure that your political goals are still achievable? Is there a way that you, personally, can find some way to gain from the crisis?
5. How can the United States ensure that the cordial relationships between American corporations and the American government remain cordial even as corporations are upset and are being damaged by the crisis?
6. How can you guarantee the national security of the United States amid potential threats from foreign governments, high net worth individuals, corporations, and other groups both legal and illegal with money held in the U.S. enraged by the crisis?
7. To what extent should you balance the national interests of the United States with international wants and needs?

Committee Positions

Vice President Kamala Harris

As the former Senator turned Vice President, Kamala Harris has some experience with U.S. homeland security and the U.S. budget, having served on both the Committee on Homeland Security and Governmental Affairs and the Committee on the Budget. And, as Vice President, Kamala Harris has the President's ear and has significant access and influence in the Biden Administration. Being the Vice President, Kamala Harris is the President of the Senate and the tie-breaking vote in a split Senate, and therefore, she wields considerable sway in Congress. As she eyes a potential run for President in 2024 or 2028, she needs to prove her aptitude in foreign affairs and cannot risk being the object of blame for a collapse of the U.S. economy.

Secretary of State Antony Blinken

Antony Blinken has been involved in foreign policy for 3 decades, having served in both government roles and in the private sector. Antony Blinken is a close friend of Joe Biden's, having served as the Staff Director for the Senate Foreign Relations Committee, of which then-Senator Biden was the chair. Antony Blinken has been described as "a defender of global alliances" and as someone who "will try to coalesce skeptical international partners into a new competition with China." Perhaps even more so than the Vice President, Secretary Blinken has the President's attention, especially when it comes to matters of foreign policy. Along with advising the President, he is responsible for conducting negotiations and implementing international agreements as well as informing the American people and Congress on the state of foreign affairs. His goal is to be remembered by history as someone who used internationalist policy to further the interests of the United States and to protect the national security of the United States.

Secretary of the Treasury Janet Yellen

Janet Yellen is the first person in U.S. history to have led the White House Counsel of Economic Advisers, the Federal Reserve, and the Treasury Department. Having been awarded a Ph.D. in Economics from Yale University, Janet Yellen is a scholar of economics. Secretary Yellen has been said to be more concerned with unemployment than with inflation, preferring higher interest rates during her time at the Federal Reserve. At the same time, she has been expressing concern over the rising federal deficit and has called for the removal of the debt ceiling. As Secretary of the Treasury, Janet Yellen has the power to recommend to the President certain economic actions like sanctions, fiscal policy, and international financial and economic policy. She is also responsible for ensuring that the federal government can pay for the things that it needs to pay for. It is also the duty of

the Secretary of the Treasury to manage the United States's debt and credit rating. Therefore, Janet Yellen wants to make sure that the credit rating of the United States does not fall on her watch. It is also her responsibility to formulate broad fiscal policies that have a significant impact on the economy and on debt.

Secretary of Defense Lloyd Austin

Lloyd Austin is the United States's 28th Secretary of Defense. Upon graduating from West Point Military Academy in 1975, he was commissioned as a second lieutenant. He went on to serve on active duty in Iraq from 2003 to 2005, and he eventually became the Commanding General of U.S. forces in Iraq. President Obama appointed Secretary Austin as the Commander of the United States Central Command where he oversaw military deployments to the Middle East, Central Asia, and Southeast Asia. Lloyd Austin has emphasized the need for American military presence around the globe, especially as a deterrent to China. Austin has called China "our pacing threat" and has said that the United States still "maintains the edge." As Secretary of Defense, Lloyd Austin has a mandate to defend the United States by creating defense policies and advising the President on defense matters.

Chairman of the Joint Chiefs of Staff Mark Milley

Mark Milley is a U.S. Army general who serves as the chief military advisor to President Joe Biden as the highest-ranking officer in the U.S. armed forces. In prior comments about the U.S. Army, Milley emphasized the importance of an agile, adaptive army ready for any combat, including ground and air. He has made efforts to modernize the army and to reform the Army Combat Fitness Test, to ensure strength in the ranks for any international or domestic security issue that may arise. Following the Taliban takeover in Afghanistan, Milley faced calls to resign from Republicans in Congress. In order to maintain his leadership in the public and military eye as well as effectively and strategically use the military power that is the U.S. Army for operations, Milley must cooperate with key colleagues in the Cabinet and rise to any military-related challenges raised.

Attorney General Merrick Garland

Attorney General Merrick Garland has been called a centrist and has practiced law for four and a half decades. Merrick Garland clerked for Supreme Court Justice William Brennan and was special assistant to Attorney General Benjamin Civiletti during the Carter Administration. As Attorney General, Merrick Garland is responsible for interpreting legal matters for the Executive Branch, representing the United States in courts in which the United States is a party, and providing legal advice and opinions to the President and the Cabinet, on matters of law, both foreign and domestic. Merrick Garland is looking to maintain the legal integrity of the United States and ensure that domestic legal

proceedings are still handled even in this time of crisis. He could also be valuable to the effort to aid the United States in foreign affairs, especially when dealing with international law. As Attorney General though, he needs to make sure that nobody strays from the law and that in the event that people do stray from what is legal, they are prosecuted to the fullest extent of the law.

Secretary of Commerce Gina Raimondo

The first female governor of Rhode Island, Gina Raimondo will play an important role in the United States's policy when it comes to international trade. With the weakening of the U.S. dollar and foreign trust in the United States at an all-time low, Gina Raimondo must work to ensure that trade with other countries does not collapse, bringing down the American economy with it. Secretary Raimondo must combat a global chip shortage that presents a threat to the economic security of the United States, navigate technology and cybersecurity policy, and decide how to go about international trade after the default. Gina Raimondo is able to recommend certain economic policies in relation to commerce such as those dealing with international corporations and foreign governments. A rising political star, she might be looking at Presidential ambitions in the near future and must ensure that anything that goes wrong does not fall on her shoulders.

Secretary of Health and Human Services Xavier Becerra

During his time in the House, Xavier Becerra served on several committees pertinent to the current issue. He served on the Committee on Ways and Means Subcommittees on Health and on Social Security and he also served on the Joint Select Committee on Deficit Reduction. As it so happens, his experience may just come in handy and make him a trusted figure when handling this issue. As the Secretary of Health and Human Services, Xavier Becerra is responsible for managing programs like Medicare and Medicaid and health institutes like the CDC and the NIH. For the purposes of this Crisis Committee, Becerra will also be responsible for Social Security. Becerra must work to ensure that health agencies in the U.S. do not fall apart, causing disease to run rampant in the United States. He must also make sure that people who are living off of Social Security do not lose that benefit. Like some of his fellow Cabinet members, he is a politician at heart and may be looking at the Senate or even at the Presidency. He, and the other ambitious politicians, must work to balance their own personal ambitions with what's best for the United States.

Chief of Staff Ron Klain

Ron Klain is one of President Joe Biden's closest advisors, having served him as Chief of Staff when he was Vice President under President Obama. Being such a close advisor, Klain has access to the President in a way that no one else, perhaps even including the Vice President, does. He is also vocal on social media and uses his platform to engage with

critics of the President. His goal is to ensure that the Biden presidency is a success and will go to great lengths to ensure that it is so. And, after serving as a high-ranking advisor for the great majority of his political career, he might be looking to ascend even further in the political hierarchy.

United States Trade Representative Katherine Tai

After being confirmed 98-0 in the Senate for the position of U.S. Trade Representative, Katherine Tai certainly holds some bipartisan backing. Having been born to two Chinese parents, grown up in Taiwan, taught at Sun Yat-sen University in Guangzhou, China, and being fluent in Mandarin, she has extensive ties with China. She works closely with Secretary of Commerce Gina Raimondo and was involved with the World Trade Organization. She will play a critical role when it comes to any actions taken in the international trade arena, especially those actions that deal with the World Trade Organization. She is charged with “developing and coordinating U.S. international trade, commodity, and direct investment policy, and overseeing negotiations with other countries.”

Ambassador to the United Nations Linda Thomas-Greenfield

Linda Thomas-Greenfield is a career diplomat, charged with representing the United States to the rest of the world through the United Nations. She spent 35 years in the Foreign Service, holding positions including Assistant Secretary of State for African Affairs, Ambassador to Liberia, and postings in Switzerland, Pakistan, Kenya, The Gambia, Nigeria, and Jamaica. Through her extensive background, she understands the inner workings of diplomacy and international affairs but is not afraid to take strong stances such as calling out China’s “debt traps and tactics” in Africa, accusing China of committing genocide against Uyghurs and of detaining more than one million Uyghurs, and vowing to stand against the Boycott, Divestment, and Sanctions movement, saying that it is an “unfair targeting of Israel” that “verges on antisemitism.” Her expertise in diplomacy will come to fruition in light of this crisis and given her work regarding Africa, she will be instrumental in determining and dealing with the effect on Africa. And, as the head of the U.S. delegation to the United Nations, she has the responsibility to make decisions on the United States’s stance on UN resolutions after consultation with the President.

Chair of the Council of Economic Advisers Cecilia Rouse

Cecilia Rouse is the Chair of the Council of Economic Advisers, a group within the Cabinet of the President that provides the President with advice on domestic and foreign economic policy by looking specifically at data, research, and evidence. Cecilia Rouse earned a Ph.D. from Princeton University with a focus on labor economics. The Council of Economic Advisers, which Cecilia Rouse chairs, is tasked with analyzing economic trends

and developments, reporting their findings to the President, reviewing federal government policies, and recommending economic policies that will specifically benefit American workers. As such, her focus will be directed at her mandate of protecting the American workforce from the fallout of this crisis.

Chairman of the Federal Reserve Jerome Powell

While the Chairman of the Federal Reserve is not actually in the President's Cabinet, for the purposes of this committee, Chairman Powell will be included as a voting member. Jerome Powell served in the Treasury Department during the H.W. Bush Administration as assistant and undersecretary of the Treasury. He then was appointed to the Board of Governors and in 2018 was nominated by President Trump to be the Chair of the Federal Reserve. The Federal Reserve, which Chairman Powell leads is a powerful institution in the American economy that has the ability to act independently of the rest of the federal government. As the leader of the Federal Reserve, Jerome Powell has a dual mandate of controlling inflation and managing unemployment. Along with voting with the other members of the Cabinet, Jerome Powell will be able to take unilateral action, without consulting the President, to raise or lower the federal funds rate, raise or lower the reserve ratio, conduct open market operations, or execute any other monetary policies that the Federal Reserve is able to perform.

Permanent Representative of the United States to NATO Julianne Smith

Ambassador Julianne Smith served as a senior advisor to Secretary of State Antony Blinken prior to her role as the Representative of the United States to NATO. As the crisis develops, threats to European security may emerge, creating a critical role for Ambassador Smith. She is not only knowledgeable about the workings of European security but also understands Asian geopolitics having served as the Director of the Asia and Geopolitics Programs at the German Marshall Fund of the United States. As the delegate to NATO, Julianne Smith will have weightage when it comes to decisions made through the organization. In the absence of the direction of the President, she will have full capabilities to vote in NATO as she sees fit. Ambassador Smith is an aspiring diplomat and may even have a Secretary-level position in her future - that is, if she is successful in her role as Representative to NATO.

Ambassador of the United States to the People's Republic of China R. Nicholas Burns

Ambassador Burns represents the United States to the largest country in the world both by population and GDP. After working in the Foreign Service in Africa and the Middle East, Ambassador Burns was the Director for Soviet Affairs under the H.W. Bush administration. Following that, he became the Senior Director for Russia, Ukraine, and

Eurasia Affairs where he advised President Clinton on U.S. relationships with the former Soviet countries. As the Ambassador to China, a country that holds over \$1 trillion in U.S. debt, Burns will play a major role in Chinese-American negotiations and will have the power to advise the President on Chinese-related matters as well as take some unilateral actions in response to developments on the Chinese side.

Ambassador of the United States to Japan Rahm Emanuel

A lifelong politician, serving as Mayor of Chicago, U.S. Representative of Illinois, and White House Chief of Staff under President Obama, Rahm Emanuel has a challenging task of dealing with Japanese-American relations. Japan, a country with a GDP of around \$5 trillion, owns the most U.S. debt out of any country in the entire world, holding \$1.3 trillion in U.S. Treasury securities. As Ambassador Emanuel works to navigate the difficult relationship between Japan and the United States in light of this debt crisis, he will be charged with communicating with the Japanese, drafting treaties and legislation with the Japanese, and responding to Japanese communications and demands. He is also responsible for ensuring that an important U.S. ally, Japan, does not turn to other countries like China. After his fall from political grace in the mid-2010s, Ambassador Emanuel is looking to recover his political standing by proving that he is capable of navigating a strained relationship with a U.S. ally.

Ambassador to the European Union Mark Gitenstein

Mark Gitenstein served under President Biden as the Chief Counsel of the U.S. Senate Committee on the Judiciary. Later, he became the U.S. Ambassador to Romania where he worked to develop the country's equity markets and business environment. For the purposes of this committee, Ambassador Gitenstein will also represent the U.S. to the United Kingdom in addition to the European Union. These two entities hold a combined \$2.2 trillion in U.S. Treasury securities. As such, Ambassador Gitenstein is responsible for ensuring that relations between the 28 countries that make up this group and the United States do not turn hostile. He is also responsible for dealing with the political and economic ramifications of a U.S. default on debt on the international relations between these countries.

Senate Majority Leader Chuck Schumer

Chuck Schumer is the U.S. Senator from the state of New York and is the Majority Leader. As the highest-ranking Democrat in the Senate, it will be up to Senator Schumer and his fellow Minority Leader Mitch McConnell to represent the Senate and to find solutions to the debt crisis. In an evenly divided Senate, the two leaders must coordinate and compromise in order to allow legislation in response to this crisis to move forward. Alongside the two Congressmen that will be working on the issue, the Senate and the

House will propose to the President solutions to the debt crisis on a variety of topics including foreign affairs and trade, domestic healthcare and social security programs, and national defense.

Senate Minority Leader Mitch McConnell

Senator Mitch McConnell is the U.S. Senator from the state of Kentucky and is the Minority Leader. As the highest-ranking Republican in the Senate, it will be up to Senator McConnell and his fellow Majority Leader Chuck Schumer to represent the Senate and to find solutions to the debt crisis. In an evenly divided Senate, the two leaders must coordinate and compromise in order to allow legislation in response to this crisis to move forward. Alongside the two Congressmen that will be working on the issue, the Senate and the House will propose to the President solutions to the debt crisis on a variety of topics including foreign affairs and trade, domestic healthcare and social security programs, and national defense.

Speaker of the House of Representatives Nancy Pelosi

As the highest-ranking Democrat in the House of Representatives, Nancy Pelosi of California will represent the will of the Democrats in the House and their desired response to the U.S. debt crisis. Alongside the Senate and Minority Leader Kevin McCarthy of California, Nancy Pelosi will be tasked with leading Congress's response to the debt crisis. In a very closely split House, Speaker Pelosi should ensure that she does not lose centrist or far-leftist members of her caucus, which would cause her legislation to fail.

Minority Leader of the House of Representatives Kevin McCarthy

As the highest-ranking Republican in the House of Representatives, Kevin McCarthy of California will represent the will of the Republicans in the House and their desired response to the U.S. debt crisis. Alongside the Senate and Speaker Nancy Pelosi, Minority Leader McCarthy will be tasked with leading Congress's response to the debt crisis. As Minority Leader McCarthy eyes the Speakership after the 2022 elections, he must be sure not to lose any members of his conference. So, while he must compromise with Speaker Pelosi on legislation, he must also be sure that he does not look weak in front of his conference and must stand up for Republican interests.

Powers

Departments

<i>Department</i>	<i>People</i>
Congress	<ul style="list-style-type: none"> • <i>Chuck Schumer</i> • <i>Mitch McConnell</i> • <i>Nancy Pelosi</i> • <i>Kevin McCarthy</i>
Diplomatic	<ul style="list-style-type: none"> • <i>Antony Blinken</i> • <i>R. Nicholas Burns</i> • <i>Rahm Emanuel</i> • <i>Mark Gitenstein</i> • <i>Julianne Smith</i> • <i>Linda Thomas-Greenfield</i>
Economists	<ul style="list-style-type: none"> • <i>Janet Yellen</i> • <i>Jerome Powell</i> • <i>Katherine Tai</i> • <i>Cecilia Rouse</i> • <i>Gina Raimondo</i>
Advisors/Legal Advisors	<ul style="list-style-type: none"> • <i>Kamala Harris</i> • <i>Merrick Garland</i> • <i>Ron Klain</i>
Defense	<ul style="list-style-type: none"> • <i>Lloyd Austin</i> • <i>Mark Milley</i>
Health and Human Services	<ul style="list-style-type: none"> • <i>Xavier Becerra</i>

Personal Directives

<i>Delegate</i>	<i>Special Powers Derived from Position</i>
Chuck Schumer, Mitch McConnell, Nancy Pelosi, Kevin McCarthy	<ul style="list-style-type: none"> • No personal directive powers
Antony Blinken	<ul style="list-style-type: none"> • Implementing foreign policy • Initiating negotiations • Directing other members of the Diplomatic Department

R. Nicholas Burns, Rahm Emanuel, Mark Gitenstein	<ul style="list-style-type: none"> • Special access to the leader and government of the country they represent the U.S. to • Messaging the country they represent the U.S. to
Julianne Smith, Linda Thomas-Greenfield	<ul style="list-style-type: none"> • Making decisions concerning votes, resolutions, etc. in the body they represent the U.S. to • Addressing the members of the body they represent the U.S. to
Janet Yellen	<ul style="list-style-type: none"> • Implementing economic policy • Access to foreign economic personnel and information • Directing other members of the Economic Department (except for Jerome Powell)
Jerome Powell	<ul style="list-style-type: none"> • Powers of the Federal Reserve including Fed funds rate, open-market-operations, and reserve requirements • Economic announcements from the Fed
Katherine Tai	<ul style="list-style-type: none"> • Access to foreign trade ministers • Implementing trade policy • Conducting negotiations relating to trade
Cecilia Rouse	<ul style="list-style-type: none"> • Providing reports on the economy to the Cabinet • Assessing the state of the economy and obtaining economic data
Gina Raimondo	<ul style="list-style-type: none"> • Directing domestic trade • Access to business leaders with the U.S. • Developing and implementing international commerce policy with Katherine Tai
Kamala Harris	<ul style="list-style-type: none"> • Directing the Congress and recommending that the Congress take up legislation (directing the

	Congress includes only leadership) <ul style="list-style-type: none"> • Access to the President • Access to international leaders
Merrick Garland	<ul style="list-style-type: none"> • Implementation of law, both domestic and international • Legal advising to the other members of the Cabinet • Arguing cases of the law in international disagreements for the U.S.
Ron Klain	<ul style="list-style-type: none"> • Access to the President (Ron Klain has the most significant access to the President)
Lloyd Austin, Mark Milley	<ul style="list-style-type: none"> • Implementation of military actions • Access to foreign military leaders • Military advice to the Cabinet
Xavier Becerra	<ul style="list-style-type: none"> • Implementation of HHS policy

In the table above, the special powers derived from the virtue of each delegate's position are detailed. However, all cabinet members have unlimited non-governmental powers or in other words, the power to take actions concerning their own personal lives.

Each delegate can take unilateral action in the form of a personal directive. These personal directives must fall within a cabinet member's expected powers, and must not introduce new policy or military efforts to be assumed by President Joe Biden (the crisis room). Some examples of personal directives could include: scheduling a backroom phone call with other cabinet members or foreign politicians, arranging secret alliances or... bribes with other cabinet members, managing personal and family finances, writing to corporate leaders in the U.S. and abroad, and communicating with other cabinet members in a formal manner. They must all have your position name and a very clearly delineated plan of action. You must clearly communicate who the note is intended for (ex: President Biden, crisis staff, President Xi of China) and what you wish is organized by the crisis room. If you fail to do so, your note will not be considered.

Policy Directives

To pass a policy directive, a delegate must obtain the signature of the following people:

1. At least one of the leaders of the delegate's Department and who is not the delegate proposing policy (*italicized above*), and

2. At least one member of the delegate's Department who is not a leader of the Department (if the Department has more than 2 people), and
 - a. If the Department has 2 people or fewer, then they need an additional signature from an out-of-Department delegate
3. At least two delegates who are not in their Department

Congressional Directives

Congressional Directives are used only by Congress in order to compel other members of the Cabinet to take certain actions. Congress does not have the power to use any of the powers specifically delegated to the members of the Cabinet and may therefore use legislation to compel action from the other members of the Cabinet. Legislation passed by Congress is essentially binding, however, the President does reserve the right to veto it. To pass a Congressional Directive, three of the four Congressmen must sign on to the legislation. For example, Congress could pass a bill directing the Secretary of Commerce to cut ties with Italy. The Secretary of Commerce could do this on her own but would be required to do so, even if she did not want to, if Congress passed this legislation.

Military Directives

To send U.S. troops to engage in any form of combat around the world, domestic or overseas, you will need a military directive. Here you will specify clearly the battle strategy, the number of troops, the location of the troops' deployment, and to where the troops must retreat if defeated in battle. To pass a military directive the directive must receive the signature of:

1. At least one member of the Defense Department (if either member of the Defense Department proposes the directive, their signature satisfies this requirement), and
2. At least two non-Defense and non-Congress delegates, and
3. At least one Congressman

Press Releases

You may individually or together with other cabinet members draft a press release for the American public to receive regarding your work as a cabinet member in improving the future of the U.S. Use these wisely, as they are key to Joe Biden's public approval and your prospects as a politician in this country. Keeping the public in the loop is key as you seek to avoid conspiracy theories, protests, and riots from spreading which could further derail your plans to save the U.S. Sometimes, a cabinet member may choose to lie to the public if in the best interest of their future but remember, the media and journalists may uncover the real truth. Further, your press release does not always translate into what different

media channels will choose to report if too heavily politicized, so you must strive for bipartisan and truthful information to have the most success if you wish.

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