The paper is indeed very topical, and the model is attractive in its simplicity. The author is able to produce analytical formulas for the optimal debt ratio under various assumption on the stochastic processes driving the exogenous variables. This makes the results easy to interpret and compare with data.

My only reservation is that the mathematics is somewhat careless. For example, in equation (1), what set is the maximization over? In fact, the "max" should be removed from this equation, since the left hand side \( W(X, T) \) is still a function of \( X \). Moreover, the author claims (1) and (1a) are equivalent, but this is not true when \( X \) is stochastic.

Moreover, the constraints in (2) and (2a) do not seem sufficient to close off the model. For example, there must be some constraint on the consumption (or dividend) stream \( C \). It would be best if the author had worked through the solution to the maximization problem, rather than citing another paper.

These reservations aside, I think the paper is well worth publishing as a journal article, and I hope it will gain some attention.