

# U.S. Troops' Pay Endangered by Biden Administration Debt Default, Defense Secretary Says

This is far from the first time that service members have faced the prospect of their lives being upended.

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Global Research, May 18, 2023

[Task & Purpose](#) 11 May 2023

Region: [USA](#)

Theme: [Global Economy](#)

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*Military pay would become collateral damage if the U.S. government defaults on its debt next month, Defense Secretary Lloyd Austin told lawmakers on Thursday.*

Treasury Secretary Janet Yellen has said the United States will exhaust its ability to pay its bills by June 1 unless Congress raises the nation's debt ceiling. House Speaker Kevin McCarthy (R-Calif.) has proposed a plan to raise the debt ceiling in exchange for steep spending cuts, which would [reduce the Department of Veterans Affairs budget by 22%](#).

President Joe Biden has said that McCarthy's proposal is a non-starter and his administration will not negotiate over raising the debt ceiling to avoid a possible default.

On Thursday, Sen. Jon Tester (D-Mont.), chairman of the Senate Appropriations Defense Subcommittee, asked Austin how the U.S. military would be affected by a default on the nation's debt.

"What it would mean, realistically for us, is that we won't – in some cases – be able to pay our troops with any degree of predictability, and that predictability is really important for us," Austin said. "But this would have a real impact on the pockets of our troops and our civilians."

Austin did not specify which troops would not get paid if the U.S. government defaults on its debt. He also did not say whether those troops and civilians would eventually receive back pay.

Since a U.S. government debt default would be an unprecedented event, the full ramifications for military pay are not yet clear, a U.S. official told Task & Purpose on Thursday. Ultimately, the Treasury Department would determine which government programs would get funded following a default.

“Our military leaders made it clear today that defaulting on the debt would be devastating for our troops and a win for our foreign adversaries like China,” Tester said in a statement to Task & Purpose on Thursday. “That is utterly unacceptable, full stop. It is time for Republicans and Democrats to come together to avoid default and deliver a budget that will protect our troops’ pay, makes sure we maintain our military advantage over Communist China, and allows America to maintain our place as the world’s leading economic superpower.”

McCarthy told reporters on Thursday that the ball is currently in the White House’s court as the clock ticks down to the default deadline.

“The House passed a plan that would responsibly raise the debt ceiling – meaning Republicans have done our part,” McCarthy said. “The House Republican plan limits government spending, saves taxpayer money, grows the economy, and simply authorizes spending levels that the United States was operating off of five months ago. It’s time for President Biden to come to the negotiating table or risk stumbling into default.”

But Rep. Adam Smith (D-Wash.), the ranking member of the House Armed Services Committee, said that McCarthy is risking a debt default that would do great harm to military readiness and the Defense Department’s ability to conduct operations at a time when the United States is being challenged by Russia and China while facing persistent threats from Iran and North Korea.

“It will inflict injury on the people who serve our country and military families,” Smith said of a possible default. “That includes impacts to pay and benefits for service members, civilian employees, retirees, and veterans. Investment in critical military infrastructure will be hampered.”

“Payments to businesses that employ millions of Americans could be limited or delayed,” Smith continued. “The Department of Defense is the country’s largest employer with over 3.5 million employees. Their pain and the economic loss felt by millions of other Americans will hit every state in the country and ripple around the world.”

With both sides digging in, there does not appear to be a solution to the debt ceiling impasse coming in the foreseeable future.

This is far from the first time that service members and their families have faced the prospect of their lives being upended by actions – or inaction – of their elected leaders. [In 2018, the Defense Department was unable to pay death gratuities](#) to the families of two soldiers killed in a helicopter crash due to a government shutdown.

[Roughly 42,000 Coast Guardsmen later had to work without pay](#) during a much longer government shutdown that ran from December 2018 to January 2019.

For years, U.S. service members and Defense Department civilians have been used as pawns in the chess match between Republicans and Democrats over taxes and government spending.

As a result of the 2011 debt ceiling standoff, the Defense Department faced draconian spending cuts known as “sequestration,” under which the military branches used accounts for training and maintenance as billpayers and separated experienced service members before they could collect retirement benefits.

The results for military aviation were catastrophic: [Mission capable rates plunged](#) and accidents soared, [as did deaths](#).

The world situation now is much more dire than it was during the last debt ceiling crisis. The Defense Department has provided Ukraine with more than \$37 billion in military assistance, showing that [the U.S. military would need a huge amount of artillery shells](#), rockets, and other munitions in a war against Russia or China.

The Defense Department’s budget for next fiscal year – which Congress has not approved yet – [would invest \\$30.6 billion in munitions](#) to start a yearslong process of getting the defense industrial base to ramp up weapons production.

Meanwhile, [China’s arsenal of nuclear weapons has doubled](#) to more than 400 warheads, and it is on track to have 1,500 warheads by 2035, a senior defense official told reporters in November.

In February, [an F-22 Raptor shot down a Chinese spy balloon](#), which had flown across the United States. Sensitive documents that were later allegedly leaked by Airman 1st Class Jack Douglas Teixeira, revealed the U.S. military has encountered [three other spy balloons from China](#), one of which flew over a Navy aircraft carrier group in the South China Sea.’

If the United States goes off the debt ceiling cliff in June, the consequences for the Defense Department would extend beyond pay issues, [Army Gen. Mark Milley](#), chairman of the Joint Chiefs of Staff, warned lawmakers on Thursday.

“China right now describes us in their open speeches, etc. as a declining power,” Milley said during Thursday’s Senate Appropriations Committee hearing. “Defaulting on the debt will only reinforce and embolden China and increase risk to the United States.”

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*Featured image: U.S. Marines with 3d Reconnaissance Battalion conduct pre-jump inspections prior to Military Free Fall and Low-Level Static Line parachute operations over Ie Shima, Okinawa, Japan, May 10, 2023. (Cpl. Michael Taggart/U.S. Marine Corps).*

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