



The Daily Dish

# Trump and NATO

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[On Monday Congressional leaders said](#) they plan on moving ahead with Obamacare repeal legislation this spring. House Ways and Means Chairman Kevin Brady (R-TX) told reporters he expects to push repeal legislation by the end of March and Senator John Cornyn said that he expects a reconciliation bill to come up in the Senate within the next 30 days. Congressional Republicans have said that the repeal and replacement of Obamacare remains a top priority.

[A new study released yesterday](#) shows that funding Medicaid through block grants could save the federal government \$150 billion by 2022. The study was conducted by Avalere Health and went on to show that only North Dakota would see increased funding if the block grant model were to be implemented.

## *Eakinomics: Trump and NATO*

President Trump is widely viewed as not a fan of the North Atlantic Treaty Organization (NATO), which he has described as “[obsolete](#)” and disproportionately paid for by the United States. Yesterday, in a visit to U.S. Central Command in Tampa, FL (CENTCOM) he sought to balance the tone of his previous remarks. According to the [Washington Examiner](#), Trump insisted, “We strongly support NATO.” But he also insisted that “we only ask that all of the NATO members make their full and proper financial contributions to the NATO alliance, which many of them have not been doing.” This is not a new complaint, having been [offered](#) before by Obama-era Secretaries of Defense Robert Gates and Leon Panetta. Panetta, for example, expressed concern that the absence of robust defense spending in Europe would “hollow out this [NATO] alliance.”

“Fair share” is one of those slippery terms that is different in the eye of each beholder. But every NATO member has pledged to spend two percent of its Gross Domestic Product on defense—and two percent is two percent. Unfortunately, only [5 of the 28](#) member countries are fulfilling this pledge. At a time when there is a shared interest in bulking up the NATO presence in Europe’s east to deter further Russian aggression, meeting the pledge would mean an [additional](#) \$116 billion in security spending within the alliance.

The transatlantic alliance faces two major threats: continued challenges from skeptics who question its relevance and diminished defense budgets in a time of fiscal austerity. If NATO members were to step up their spending, a Trump administration might be inclined to put it more at the center of its strategic plans and, thus, preserve its relevance. One hates to make analogies to commercial real estate, but if the deal suits, strike it.