

## **ASSESSING THE CHALLENGES FACING NATO**

**Testimony Before  
House Foreign Affairs Subcommittee on Europe**

**United States House of Representatives**

**June 4, 2025**

**Dr. Nile Gardiner  
Director  
Margaret Thatcher Center for Freedom  
The Heritage Foundation**

My name is Nile Gardiner. I am the Director of the Margaret Thatcher Center for Freedom at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

On June 24-25, the North Atlantic Treaty Organization (NATO) will mark its first 76 years at its summit in The Hague. Since 1949 it has served as the beating heart of the transatlantic partnership, and a vital force uniting the United States, Canada, and our allies across the Atlantic. With the recent accession of Finland and Sweden, the alliance today has 32 members.

NATO remains the essential bulwark that holds back the Russian bear on its eastern flank and keeps in check the imperialistic ambitions of Vladimir Putin's murderous regime, which has been amply evident in Russia's savage and barbaric invasion of Ukraine. Its role is vital in the defense of Europe in the face of Russian aggression. Without NATO the brutal reality is that Russian forces would very likely today be rolling into the Baltic States and deep into Europe. We should not underestimate Putin's malevolent intentions and his desire to conquer territory in Europe. This must not be allowed to happen, and a Peace Through Strength approach is needed throughout the NATO alliance.

The United States has a significant national interest in supporting and strengthening the NATO alliance, which has been the beneficiary of a huge investment by US taxpayers for over three quarters of a century. A secure Europe and a robust transatlantic alliance, including the US/UK Special Relationship, advances the security of the American people. As former British Prime Minister Margaret Thatcher noted in a speech in 1991 to the Foreign Relations Council of Chicago, "the United States needs friends in the lonely task of world leadership."

However, to sustain the alliance, America's NATO allies must be prepared to fully participate in burden sharing with the US. The Russians clearly view NATO as weak and divided and are increasingly willing to test its resolve. We need to see real material unity and not just rhetoric. The US presidency must apply concerted pressure on America's allies to do far more to foster partnership rather than dependency, especially as the United States must increasingly focus on the immense threat in the Indo-Pacific presented by Communist China.

This cannot be a two-tier alliance, where the United States carries the overwhelming military burden for the defense of the free world, while some European allies build vast welfare states. In 2024, only 22 NATO members spent the 2 per cent of GDP on defence agreed to by the alliance in 2014. This is unacceptable. It leaves the alliance dangerously vulnerable when it should be projecting strength and resolve. Countries that spent less than 2 percent of real GDP on defence last year included Italy (1.5 percent), Canada (1.4 percent), Spain (1.3 percent), and Belgium (1.3 percent). In contrast, Poland (4.1 percent), Estonia (3.4 percent), Latvia (3.2 percent), and Greece (3.1 percent) all spent above 3 percent of GDP.<sup>1</sup>

Justin Trudeau's now departed Canadian government was among the very worst slackers in the NATO alliance, consistently underinvesting in Canada's military with shockingly low figures for a nation with the 10<sup>th</sup> largest GDP in the world. His successor as prime minister, Mark Carney, has vowed to raise Canadian defense spending to 2 percent, but this is simply not enough. Ottawa needs to be serious about NATO's mission, and playing a full part in the alliance in the coming decades. Under Liberal Party rule for the past ten years, Canada's exceptionally low levels of defense spending have been woefully pathetic, and an insult to the unity of NATO.

As Heritage Foundation research has shown, "European NATO members have collectively underfunded their own defense by \$827.91 billion since 2014 – nearly equal to the entire annual US defense budget."<sup>2</sup> This is a staggering figure and completely unacceptable. These figures are a damning indictment of a culture of complacency and dependency in many NATO allies over the past decade.

Not only should every NATO member immediately invest the minimum agreed level of spending on their own defence, they should also commit to matching the current US level of 3.5 per cent of GDP, and pledge to reach 5 percent of GDP, which is expected to be the new benchmark set at the forthcoming NATO summit according to NATO Secretary General Mark Rutte.

President Trump's pressure on NATO partners to spend more on defense is already having a major impact. After decades of reckless underinvestment, Germany, the world's fourth-largest economy and the biggest in Europe, has announced plans for a dramatic increase in defense spending, and has accepted in principle that German defense spending must eventually rise to 5 percent of GDP if it is serious about defending its own borders from a potential attack by Russia.

France, which has barely reached the agreed minimum two percent of GDP on defense in recent years has announced that it will push European defense spending levels to 3-3.5 percent of GDP ahead of the Hague summit. Even Belgium, one of the most lacklustre members of NATO, has declared a goal of boosting defense spending to 3.5 percent of GDP.

---

<sup>1</sup> Based on Statista figures, as of February 14, 2025 at <https://www.statista.com/chart/14636/defense-expenditures-of-nato-countries/>

<sup>2</sup> Miles Pollard and Jordan Embree, "NATO's Underspensing Problem: America's Allies Must Embrace Fair Burden Sharing", Heritage Foundation Backgrounder, March 31, 2025, at <https://www.heritage.org/defense/report/natos-underspending-problem-americas-allies-must-embrace-fair-burden-sharing>

The UK has just announced a \$20 billion investment in its nuclear warhead program, and the construction of 12 nuclear-powered attack submarines, as part of its new Strategic Defense Review, released this week.

While much of Western Europe is now starting to wake up with regard to their NATO obligations, the Baltic States and Poland are already building on their robust records by pledging significant further increases in the years ahead. Poland will spend 4.7% of GDP on defense this year, while Estonia has committed to spending 5.4 percent of GDP on defense through until 2029. Lithuania will spend 5-6 percent on defense from 2026 to 2030, and Latvia will spend 5 percent by 2026.

The positive developments in Europe should be warmly welcomed in Washington, with a new sense of urgency across the Atlantic. At the same time the US cannot allow NATO to be undercut by grandiose visions of a European Union army that would split the alliance and divert vital resources away from NATO missions. One of the biggest threats to the future of NATO is posed by French President Emmanuel Macron's calls for greater "strategic autonomy" for Europe, moving away from the United States, and moving closer to an accommodation with Beijing. Macron, who has dismissed NATO in the past as "brain dead," offers a reckless vision of a European future increasingly detached from the transatlantic alliance, and which clearly benefits the West's adversaries, especially China and Russia.

The United States must be crystal-clear in rejecting the hugely flawed idea that Europe's security rests upon delusional ideas of a militarily powerful EU, which would replace NATO nation-state cooperation with Brussels-imposed supranationalism. Macron's dangerous rhetoric is exactly what Russian president Vladimir Putin and Chinese premier Xi Jinping wish to hear. The United States must confront the machinations of Macron and the Eurofederalists and declare that NATO and the transatlantic alliance is the only vehicle for the security of Europe.

As President Trump has bluntly put it, Macron's rallying cry for an EU military to "protect" Europe from not only Russia and China but also the United States is "insulting," especially from the leader of a country liberated in large part by the blood, sweat and tears of American sacrifice.

The role NATO plays today is as vital as it has ever been. The strength and breadth of the NATO alliance is the most powerful deterrent in the world to those forces that threaten the United States and our partners. As it has done since World War Two, the US must lead. But its allies must stand with it, both in word and deed. That must include a renewed commitment to rebuilding Europe's militaries, and a willingness to fight for and defend NATO territory, and confront adversaries that threaten our security, including those in Asia and the Middle East.

In just the first few months of his presidency, Donald Trump has already significantly strengthened the NATO alliance. President Trump is not the destroyer of NATO, as his critics have alleged, but is in fact the savior of NATO.

Trump's presidency is a wake-up call for a complacent alliance that had been sleep walking to decline and possible destruction. Previous US presidents, from Bill Clinton and George W. Bush to Barack Obama and Joe Biden, had all urged European allies to do more, but their entreaties had fallen on deaf ears. It has taken the tough love, no-nonsense straight talk of Donald Trump to make European leaders sit up and take notice.

In many ways the Trump presidency has been the antithesis of the weak-kneed Biden presidency. The humiliating debacle of Biden’s reckless Afghanistan withdrawal would not have happened under Donald Trump, and nor would Russia’s reckless invasion of Ukraine.

With bold US leadership at the helm, NATO still has the vision, capacity and energy to thrive and prosper for the next 75 years. But the long term success of the alliance rests upon the willingness of all its member states to invest in their common defense and share the economic and military burdens that are necessary to keep the likes of Russia at bay. And the EU can never replace NATO.

Vladimir Putin does not fear the empty rhetoric and grandiose dreams of the European Union. But he does respect the might and power of a robust alliance of nation states led by the United States that will fight to defend freedom and sovereignty.

In the years ahead, the United States must project strength and resolve on the international stage, and stand steadfast with its allies in confronting the forces of barbarism and tyranny from Beijing to Moscow and Tehran.

American exceptionalism is the most powerful force for liberty in the world today. It is greatly strengthened by America’s alliances with key partners, and NATO is at the very heart of the transatlantic partnership.

\*\*\*\*\*

The Heritage Foundation is a public policy, research, and educational organization recognized as exempt under section 501(c)(3) of the Internal Revenue Code. It is privately supported and receives no funds from any government at any level, nor does it perform any government or other contract work.

The Heritage Foundation is the most broadly supported think tank in the United States. During 2023, it had hundreds of thousands of individual, foundation, and corporate supporters representing every state in the U.S. Its 2024 operating income came from the following sources:

Individuals 81%

Foundations 14%

Corporations 2%

Program revenue and other income 3%

The top five corporate givers provided The Heritage Foundation with 1% of its 2024 income. The Heritage Foundation’s books are audited annually by the national accounting firm of RSM US, LLP.

Members of The Heritage Foundation staff testify as individuals discussing their own independent research. The views expressed are their own and do not reflect an institutional position of The Heritage Foundation or its board of trustees.