

## The case for free trade

Most of us believe in free trade in our own lives. We rely on the free internal market of the UK to supply most of our wants. I rely on the farmers to grow my food, on the millers, bakers and retailers to supply my bread and on the energy companies to heat my house and fuel my car. Each of us trains, specialises and takes a job in a relatively narrow field knowing we can rely on our fellow citizens to supply our other wants.

We do this because it is impossible for us to command all the skills and resources it needs to live to the level of sophistication we enjoy by working together. I do not need to plant my garden with potatoes, learn to sew clothes and try to get up to speed on how to make electronic devices when there are so many people and businesses that can do these things better, faster and cheaper.

The same theory should apply at the international level. Russia should have cheaper oil and gas because it has so much more of it than us. Ukraine should have cheaper wheat as it specialises in growing grains on its fertile plains. Unfortunately war can stop all that potential trade. Taiwan does have better microprocessors, but when the world is short of them we are not going to get all we need by hoping for more imports.

National resilience is about having the capacity to do the things that matter for yourself. In the world wars the UK had to dig for victory, putting more acres under the plough to grow more food as our imports were being attacked at sea. Today if we want successful industries we could do with more of our own microprocessors and more affordable gas to fuel our factories as foreign supplies are damaged.

There is little point in spending lots of money on defence equipment if in a war you were unable to scale up the production and draw mainly on your own resources to equip and supply your forces. That is why I have stressed that a plan for national resilience is an important part of any National Security Council work on defending ourselves.

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## How to donate support to the Ukrainian people

I have been approached by constituents about how best they can donate to support the people of Ukraine. I have received this useful advice from the Foreign Office.

### **Donations in Kind**

The UK welcomes the UK public's eagerness to support the people of Ukraine at this time. We do however request that organisations and people who would like to help donate cash through trusted charities and aid organisations, rather than donating goods. Cash can be transferred quickly to areas where it's needed and individuals and aid organisations can use it to buy what's most needed. The Polish Embassy in London recently released this statement asking the UK public not to organise further in kind donations. Unsolicited donations of goods, although well-meant, can obstruct supply chains and delay more urgent life-saving assistance from getting through given the huge logistical and coordination challenges associated with handling and onward distribution. Goods provided may not be what is most needed and run the risk of not reaching affected populations, including looting and theft or being sold further on informal markets thereby distorting the local economy. Distribution is difficult to control and manage well, particularly in conflict affected contexts – the most vulnerable like women, the elderly, disabled and children often do not receive goods. If members of the public would still like to take forward a donation of goods we encourage you reach out to a charity or organising body based in the country where you intend to donate to establish what is needed and how to deliver it before you begin to collect goods:

In Poland the authorities have issued a statement calling on the UK public not to provide further in-kind donations. Specific offers can still be channelled through their official website (<https://pomagamukrainie.gov.pl/>) and a Polish NGO forum coordinated by PAH (Polish Humanitarian Action) includes a number of national and international NGOs and the Polish Red Cross. You can register to be part of that forum here or contact the Polish Red Cross (PCK) [zarzad.glowny@pck.pl](mailto:zarzad.glowny@pck.pl) / [head.office@pck.pl](mailto:head.office@pck.pl)

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## [Free trade](#)

My critics have complained that in recent years I have urged the UK to make and grow more of the things it needs at home. I have been accused of resiling from a belief in free trade all assumed I had. Let me reassure. I accept that free trade does increase the prosperity of all embracing it. My problem with it has always been that so few practise it. There are many countries and big companies that see a nation or company that practises free trade as weak, an opportunity to exploit. It is important not to be a naive free trader.

My own industrial experience reminded me how difficult it is to find others who play by free trade rules. When I helped take an industrial group into China to sell product there to our global customers who were establishing factories we soon found product circulating copied from ours without permission and even found a case where someone else's product was being sold in lookalike packaging with our brand name on. When we sought to take one of our technology advances into Germany, offering to joint venture with them to

gain wider access to their market there was no deal. The players bought single copies of our product to see what they could learn and apply to their own without needing our assistance or joint investment.

Many US and UK companies have had difficult experiences with China, where joint ownership structures and investment vehicles are required and used to transfer technology. Today we see how dangerous it is for countries and companies that have come to rely on Russian energy or other necessities. There is a sudden disruption to supply brought on by bad conduct by the counter party country.

The UK promotes free trade where it can, and works closely with the WTO to bring it about. The UK also needs however to be worldly wise and cautious about trusting some foreign jurisdictions too much. If they are not themselves equally pledged to play by the rules and accept the give and take successful free trade needs we should not make it easy for them to cheat. EU managed trade was not very free or fair for us in many areas including fish and farm products. We should promote multilateral free trade, whilst taking care to build sufficient national resilience in crucial areas that are especially prone to disruption.

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## Ukrainian refugees

The U.K. government launched a scheme to grant entry to Ukrainian refugees who wish to join family here in the U.K. They will have somewhere to stay, they have people to welcome them and they may well speak English to ease their lives here. I strongly support this policy.

The U.K. government have listened carefully to what the refugees crossing the land borders out of Ukraine want. Many want to be given temporary accommodation and support near to the Ukrainian border, so they can return home easily once the fighting is over. Many of them are women and children who want to be rejoined with their husbands, brothers, fathers who have stayed at home to fight. They want as soon as possible to return to their own homes. I support the generous approach of the U.K. to assist the host states near to Ukraine with money, supplies and expertise. This is the way we can help the most refugees in the way they want. They want to stay in a country closer to and more like their own.

The U.K. is now drawing up a third scheme to offer 3 year visas to refugees without family contacts. This scheme will harness the generous spirits of U.K. citizens who want to offer free accommodation to Ukrainian refugees. I would be interested in your thoughts on this scheme.

My questions about the emerging shape of this scheme include

Why a 3 year period? It is a long time to be out of your country and we all

hope there will be a peace long before then. If there is no peace why limit it to 3 years.

What provision would be made if we are talking large numbers to ensure there are enough school places with special teaching to overcome the language barrier? What extra capacity will be added to GP and hospital services?

If it is based around the free offer of accommodation by U.K. home owners what legal agreement will there be to ensure security of tenancy for the refugees? In what circumstances could the U.K. citizen back out of the offer? What fall back accommodation does the state have? Will there be any stipulations about the standards of the accommodation?

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## Sanctions disrupt

Russia's economy will suffer badly from the sanctions now imposed. Many companies are pulling out of their businesses in Russia, stopping trade with Russia and looking elsewhere for supplies. The ruble has collapsed making imports so much dearer. Russia cannot access a lot of foreign exchange.

These sanctions also impose costs on us. Wild price movements in energy have just made the cost of living problems that much bigger. the war will disrupt the grain trade and is propelling some food prices up. Russia is likely to look to China to work round the banking sanctions and to find new markets for its energy and other commodities. the much higher prices in world markets will increase Russian revenues and will be paid in hard currency by those who want the oil and gas.

The government needs to adjust its tax policies for these new developments. There is an even more compelling need to ease the squeeze.