

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.