

2.18pm

Lord Howell of Guildford – Speech to the Lords 09.02.23  
(Con)

UKRAINE:WINNING ON THE OTHER FRONT.

This dreadful war is being fought on three fronts, if not more.

There is the battlefield war, where we are now being told to expect an imminent and major Russian assault, and maybe some nasty blows. How this has come about, I do not know. They will be full of cunning—full of Russian maskirovka, as they call it—and difficult to anticipate.

There is the war of sanctions, finance and trade, and especially energy trade. I am very glad to see the resuscitation of my old department, Energy, which will help to handle the very difficult problems lying ahead.

There is the shadowy war of cyber and intelligence, fake news, and attempts at demoralisation and undermining civil order.

On the battlefield, I hope the enthusiasm with which we all greeted President Zelensky in Westminster Hall yesterday lunchtime will now be followed not just by tanks—that is good—but by much longer-range missiles, helicopters and advanced drones, which are improving technologically all the time; and, from the United States, if we can help and support them and jog them along, F16s. Without these coming—and coming in time—I foresee a prolonged and bloody stalemate at best. Even then, much more will be needed on other fronts as well.

I am going to focus on the other front where there could be a breakthrough: via sanctions and economic pressures, and Russian trade isolation. The question is, have sanctions of all kinds worked so far, and what more could be done? The answer to whether they have worked is, awkwardly, yes and no. On the “no” side, the Russian economy is not yet crippled and Putin has not withdrawn; on the contrary, he is gearing up for new assaults. The rouble is stronger, not weaker, than at the start of all this. The \$60 cap on Russian oil, along with insurance sanctions, is not much different from what Russia was getting anyway, and Russian oil and frozen gas are pouring into Asia at a discount, benefiting hugely countries like China, which I cannot believe is something we intended or wanted. A lot of this oil is being moved illegally by so-called ghost fleets, evading Western eyes. As a result, Russian crude exports have surged enormously this last month, even if their revenues have not.

The reality is that half the world is not playing the Western game, which means that the sanctions system is being undermined constantly.

On the other hand, turning to a more optimistic stance, Russian GDP is heavily down, some say by at least 15%. There is a massive disinvestment and capital flight, where people can get their money out—and they will find the means to do so. The Russian budget deficit is up to 6% of GDP and, much more encouragingly, Europe is now in far better position on energy resources than last year. Gas storage facilities are almost full, except, regrettably, here in the UK, where we are still arguing about who should pay for the storage we should have had from the start. Overall, Russia has much less leverage on western Europe today than it did a year ago.

The issue now is: should the wider world try to tighten sanctions further and, as some suggest, make the oil price cap much lower still—say, \$35? Would that really begin to limit Putin's capacity to wage this war? It is a very difficult call, with events often backfiring and unfolding in the opposite way from that intended. Yet it is here, in this sphere of economic pressures, with the major political consequences that could follow inside Russia, that the real weak point could lie.

Whatever happens on the battlefield now, the best supporting strategy could be to aim at increasingly isolating Russia, as the unquestioned pariah in the comity of nations, from its markets, from its arms and component suppliers, from investors, from so-called neutrals, even getting China to back a little further away from its old ally, as has been hinted at by others. Remember, China is scared stiff that Putin will go nuclear and ruin its world business and recovery from Covid, as backchannel discussions with the Chinese are confirming all the time. Please remember also that China now accounts for 30% of all world manufacturing.

If we could weaken Chinese support; persuade India—which my noble friend Lord Soames rightly mentioned—to come round, despite its long-standing reliance on Russian goods and arms; and persuade our 55 like-minded fellow Commonwealth members to stand firm, that would be a real strategy. We could then take a bold leap internationally which might help to break the deadlocks on the ground which will otherwise develop. This should be the overwhelming and priority task for our diplomacy and national security strategy but, quite frankly, attention on this external aspect has been rather on the slow side and, from my point of view, far too weak from the start.

When Russia's brutal invasion began, we found that half our Commonwealth friends did not even see things our way, as the noble and gallant Lord, Lord Stirrup, rightly reminded us. We then found that our

supposed friends in the Middle East and the Gulf—who are always claiming such close relations with us—still wanted to keep in with the Russians and that OPEC had other priorities than easing our unbearable gas and oil costs by quickly pumping more oil, as it could well have done. Those countries were looking a different way altogether.

Things are now easing a bit. In 2023, there is every chance that energy prices will come down—what goes up does come down in an immense cycle of investment in the energy field. However, this is where we should press much harder, building relations, mending fences and using the international influence and powers of persuasion which were always available to us, and always here, but which we neglected. We should now use them much more vigorously.

Whatever the resistance of the brave Ukrainian soldiery, it is only by leveraging up a solid world front all around against Russia and by intensifying internal hardship and anger inside Russia that the pressure on the Putin gang, or on Putin himself, might break the stalemate, force Russian withdrawal and begin Russia's return to sanity as a nation in the comity of nations. That is the brutal truth. The fight continues on the ground, but the more it can be reinforced by these other strategies, the better the chances are of—as Zelensky himself said yesterday—

“victory over the very idea of the war”,

and the better the chances are of the closure of this unjust, unjustified and barbaric conflict.

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