

## Energy prices and regulation

The Prime Minister announced the headlines of a solution for the energy crisis. She proposes removing green levies and capping domestic energy costs per unit of energy, with a matching scheme for business. Presumably taxpayers pay compensation to the energy companies for selling us energy below their costs.

I favour doing more by way of tax cuts on energy, adding an end to VAT on fuel and cancellation of the carbon tax to cut energy costs. The problem with price controls is they might put people off investing in more supply, deterred by lower and unpredictable returns from intervention. They also blunt the role of price in lowering demand when there is scarcity. It is necessary to help people on low income with bills, or better to help them get jobs with decent incomes.

The EU was looking at plans of its own to tackle their cost of living crisis. They have been seeking a mixture of windfall taxes, price controls and rationing. It appears they have fallen out over controlling gas prices, with some fearing that would lead to an earlier loss of Russian gas and rationing. They expect Putin to find other markets for his gas. The EU seems to think the answer to dear and scarce Russian gas is even more investment in wind turbines and hydrogen.

It is difficult to understand why they believe this. Without storage wind turbine power is erratic and lets you down all too often. Hydrogen made using renewable electricity is not yet a commercial proposition and will need a vast new distribution network. The truth is this decade many people are relying on the natural gas boiler for heating and the petrol or diesel car and van for transport. All the time that remains true Europe needs to secure supplies of gas and oil.

The U.K. can do something about this reality as it has reserves to exploit.

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## The Russian war in Ukraine

This week's news that Ukrainian forces have liberated an area of eastern Ukraine taken by Russia comes as welcome news in the West. The decision to support Ukraine against a murderous invasion has been backed by a supply of advanced Western weapons which have helped oppose the substantial Russian forces.

Ukrainian sources tell us Russian troops fled with low morale and in poor order, leaving vehicles and munitions behind. Russia claims it was a tactical consolidation that they ordered. All seem to agree Russia now controls less

territory which looks like a Ukrainian advance. Ukraine is now reporting bad treatment of citizens under Russian rule.

This presumably means President Biden and the European allies will be encouraged by this and will continue to supply weapons, financial and other support to the Ukrainian state. The US has warned us to expect a long conflict. France and Germany want a negotiated peace. The Ukrainian success makes it unlikely Ukraine will offer to surrender territory to Russia. It poses the question what will Russia now do?

Putin watchers do not expect him to sue for peace or to give up his violent attempt to take over substantial parts of the country. He is fighting a military war with Ukraine and a sanctions and commercial war with the USA and her allies. Putin is using the gas weapon to try to split the European allies. He wants to dilute or reduce western support for Ukraine. He is using nuclear pressure against both Ukraine and the West through occupying a nuclear power station. He sometimes speculates about the use of more extreme weapons which would put an end to the Putin lie that he was liberating Ukrainian people.

His use of the gas tap has so far troubled western economies with massively higher gas prices, allowing him to collect substantial revenues whilst selling much less gas. This winter is going to be a difficult struggle both over trade including gas and for the forces seeking to win back lost territory.

I would be interested in your thoughts on what the West should now do. .

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## Queen Elizabeth I and Queen Elizabeth II

The two great Queens divided by 350 years and very different circumstances have shown women in the top job to best effect. Both came to the throne in eras when it was assumed men filled the leadership roles. Both inherited the job despite rules giving precedence to the male line. Both handled male dominated institutions with skill. The second Elizabeth was a role model for many more women leaders who in recent years have risen to the most powerful roles in our society, changing our public and business realms substantially so all but the most unreformed welcome good women leaders as well as men.

Their jobs were very different. Elizabeth I was head of government as well as Head of State, wielding ultimate power in her realm. Elizabeth II was the perfect constitutional monarch, embodying the power of the state but leaving it to governments elected by the people and answerable to Parliament to exercise the power.

Elizabeth I was at constant risk of assassination as her religious and

political enemies circled. She had to reckon with the possible enmity of Spain, the super power of the day, drawing her into war. She needed to still the conflicts between Catholic and Protestant. She led her country to a remarkable victory against a huge Spanish invasion fleet and presided over a welcome internal peace which powered rising prosperity and a cultural flowering.

Elizabeth II survived the world war which threatened her family just like others from the bombing campaigns and inherited the throne at a young age owing to her father's untimely death. She needed to keep the idea of monarchy fresh and lively for a new modernising era. With great skill she evolved the style and practice of the monarchy, adapting it to a television age. Her image like her predecessors was on every token of our money, on our postage stamps and in many a Council chamber and boardroom. It was also there in our living rooms on tv showing us her every move and gesture on visits and at state occasions. As the reign advanced so we saw more of her family life. She faced a level of public and media scrutiny that previous monarchs avoided, though they had often been lambasted by cartoonists and scribbling critics.

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## Wokingham proclaims the new King

I attended the Proclamation in Wokingham marketplace on Sunday.

The Mayor read the Proclamation from the Accession Council to a large crowd who had gathered in the sunshine.

I spent time talking to people after the event. We were all feeling the bitter sweet nature of the occasion. There was great and continuing sadness over the death of a much admired and respected Queen. There were good wishes and hopes for the new King.

Those who stood patiently to the side of the Town Hall had been unable to hear the address but took it in good spirit and were pleased to have witnessed the event. Many wanted to talk to me about the Queen and some had heard my tribute in the Commons where I tried to pass on my understanding of the love and professionalism the Queen displayed in her many visits and ceremonies. They wanted to know more about the sovereign we have lost.

There was general optimism about Charles III and an understanding of the important role a monarch can play at the head of our democratic system of government. In good times and bad the Queen could speak about the things that unite us.

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# Why Parliament stands adjourned and when it should return

Parliament rightly has adjourned to pay respects to our late Queen and to allow the use of the Palace of Westminster for the solemn proceedings before the funeral around the lying in state. On current plans the House of Commons will not meet again until October 17th. We need to get back to Parliamentary work sooner than mid October given the shortened September session and given the urgent tasks that await the new government.

There is a need to produce a detailed scheme of help to businesses facing impossible fuel bills. We need to debate and legislate the full package of energy measures to increase supply and ease the cost of living and cost of doing business crises. We want to hear the Chancellor's Financial Statement and cut the taxes as promised.

MPs will want to hear from the new Home Secretary how she will defeat the dangerous people trafficking across the Channel, and develop the points based migration system. We wish to learn more of the new Health Secretary's plans to get waiting times down and cut waiting lists. How will a range of Ministers unite to produce a growth strategy?

It is right we show our respects to the late Queen and right Palace and government are united to organise the State funeral. We must then pick up the pace of changing things for the better.