

Cheaper energy

Amidst all the drama of nothing happening in the Brexit talks the government announced it is going to legislate to place a price cap on energy prices. It wishes to instruct Ofgem to control prices of standard variable tariffs. It argues that the energy market is very damaged already by a range of government interventions and by the behaviour of some of the companies involved. As many customers do not switch from standard tariffs to the cheaper ones on offer, the government thinks the Regulator should step in and force prices down where they are high.

The companies respond that the market has plenty of competitors and people can shop around for lower tariffs if they wish. They also say they will abolish some of the lowest tariffs in response to any price cap on standard tariffs to limit their loss of revenue from these changes. The Regulator is unlikely to be able to stop them doing that.

So what do I think about all this? I welcome the aim of getting prices down for people. The legislation is likely to prove very popular in the Commons, with Labour liking the approach. Cheaper energy is a necessity both to boost people's living standards, and to foster an industrial revival which would thrive on cheaper fuel.

I think the longer term solution to cheaper energy is to promote more market competition, and to reduce the number of government interventions in the market that favour dearer energy solutions. It would also be good to revisit VAT on domestic fuel once we are out of the EU, as this tax is a further cause of expensive energy. We should get on with producing more of our own gas, as at the moment gas as feedstock and fuel for industry has to be imported.

Reception and dinner with Wokingham Conservatives on Friday 6 October

I would like to say a big thank you to the organisers of the very enjoyable Conservative dinner last Friday. 200 people came. The Prime Minister joined us for the reception and spoke to us before dinner. I gave a short talk after dinner. There was a successful auction conducted in an entertaining way by Councillor David Lee. The staff at St Anne's Manor looked after us well.

Mr Juncker stops the talks

Mr Juncker is trying to lay down the law to the UK. He says unless we agree firmly to send the EU a vast sum there will be no talks on trade.

He might as well have said there will be no talks on trade.

The UK must not give in and offer a large payment. We have no need to pay for talks they are meant to hold. We do not owe them any money after we have left.

Mr Juncker says if you order 28 drinks and then one drinker leaves, he must pay. Yes, but only for his drink, not for all the others. That is exactly what the UK will do. We will go on paying for our own drinks and for a proportion of the other's drinks up to departure. Once out we will buy our own drinks, and they will only need 27.

If the EU wants to trade with us on WTO terms this is the way to secure it. If they want to keep tariff free access to our market then they need to start talking about how we might do that.

The dangers of Transition

The news yesterday that Mr Barnier does not think there has been enough progress was in a way a relief. The only progress the EU will currently recognise is a firm UK offer of large sums of money we do not owe. As long as we continue to decline to offer cash, they will probably come to the conclusion they need to talk trade as it is in their interests to continue tariff free. If we start to offer cash they will hang tough for longer. I was delighted to see the UK electorate are better bargainers than the Parliamentary Opposition. 74% agree that No Deal is better than a bad deal, the only way we have a negotiation that gives us great leverage. The way to end the uncertainty is to prepare for No deal and to show we are ready to leave in March 2019 whatever the response of the EU.

I am writing about this again today, knowing some of you think I write too much about Brexit and others complain whenever I do other topics. I do so today because this is an important moment ahead of the EU Council, when the UK needs to stand firm to avoid drifting to a bad deal.

The PM is clear that we only have a transition period if there is an Agreement to transit to. She has also said No Deal is better than a bad deal. She does not want transition to be any longer than is needed for implementation, and argues implementation times may be different for different clauses of any Agreement.

There are growing demands amongst Brexiteers not merely to pursue No Deal as a prudent contingency plan but to pursue it as the main plan. The EU might then decide it wanted to offer something better to us in its own interests. It would also avoid the problem of UK negotiators ending up offering too generous a settlement.

There are four big worries about relying heavily on eventual Agreement. The first is money. One of the main prizes of leaving the EU, as advertised prominently in the Referendum campaign, is the right to spend our own money. Giving away two more years of net and gross contribution delays any benefits and leaves the UK Treasury very tight for domestic programmes and tax cuts.

The second is the ability to make our own trade arrangements. If other countries think the UK will not be able to sign a trade deal for another three and a half years it removes the enthusiasm and urgency currently around to get something done. If the UK is not in control of its own regulations it limits the ability to negotiate a services agreement with others.

The third is the issue of powers. The PM was clear in the Lancaster House speech and White Paper that leaving the EU meant leaving the jurisdiction of the ECJ. Imposing the Court on ourselves for another two years limits our legislative as well as our judicial independence, as the ECJ is superior to Parliament.

The fourth issue is the ever growing volume of EU law. The EU could use a long period of transition to impose on us and our businesses a whole range of new legislative burdens designed to help the continent or to hinder business generally. Once we are out any new burdens only apply to our business with the continent in line with the requirements they impose on themselves, and no longer apply to the dominant domestic business or exports to the rest of the world.

These serious concerns are turning more people to see advantages in No Deal. That will produce a world where we can change regulations for domestic and non EU business, can sign trade treaties, spend our own money and be in charge of our own laws. We can have, for example, a fishing policy that works for us. That would be a popular early win from a clean departure on March 29 2019.

[Equitable Life](#)

At the request of a couple of constituents I attended the Equitable Life event in Parliament yesterday. The Group is still pressing for additional compensation. I have taken this up on many occasions with the government. The government's view is that they have given compensation to reflect the regulatory failures, but the major cause of the losses lay with the company. I do not think the government has any plans to revisit the amount of

compensation given.

I am very willing to take up individual cases if there are still outstanding matters about payment of compensation or new points relating to individual contracts that need attention.