

Northern Rock: the debacle continues?

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The [EU has approved the plan](#) to split Northern Rock into good and bad banks. The latter includes the notorious Granite that helped bring down the bank, and which took me a lot of effort to expose two years ago.

But there remains two really big question: why, oh why is £8 billion to be invested by HMG in new mortgages to push up house prices? This has to be the worst use of public funds in decades.

Second — why is there no clear commitment to mutualisation? I find that amazing. This bank cannot survive without guarantee — why not give the benefit of that guarantee to the greatest possible number for the greatest possible public good?