

## The Bank of England: master or servant?

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The [FT's reported that](#):

*The Bank of England committee charged with ensuring the stability of Britain's banks is split over George Osborne's plan to oblige it to support the government's new growth agenda.*

The nub of the issue is a big one: Osborne said in his Mansion House speech last week that the BoE's Financial Policy Committee should no longer focus narrowly on safeguarding the banking sector and should have a secondary objective to support the economic policy of the government.

That effectively ends the era of an independent central bank: it says the Bank has a role in supporting the Treasury that sets the economic goals for the country.

And as the FT reports, some in banking don't like that. Unsurprisingly. They want to keep control of the game.

On this one I support Osborne: independent central banks were always a bad idea that threatened democratic control of the economy. Osborne's move is timid, but it's a step in the right direction.