

Osborne heralds the return of light touch regulation an...

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The [Guardian notes this morning that](#):

George Osborne has warned the Bank of England that it risks derailing Britain's fragile economy if it uses tough new financial watchdog powers to clamp down too hard on the City.

The chancellor told the Bank's governor on Tuesday that Threadneedle Street's new financial policy committee (FPC) should take account of the impact of its actions on "near-term economic recovery" when deciding on the regime under which banks operate.

Gordon Brown must be delighted. Could there be a clearer signal that Osborne now believes in light touch regulation and wishes for boom and bust - the very hallmarks of Brown?

The Treasury has, very obviously, learned nothing from the recession.