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## Crisis of confidence (and much more)

Banks used to build marble palaces to give the illusion that the money they created out of thin air had intrinsic value. It worked as long as maintaining confidence in the system was always the priority. Only rarely, such as before the weekend takeover of IPB in 2000, did officials intentionally provoke a run on a bank. All it took with IPB was a little push, because the bank had been managed so poorly that it had already nearly lost its right to the public's confidence. The European and American financial markets are in a similar state today. All it would take is a little nudge, because the credibility of the system has been pushed to the very edge. It's technically true, as Finance Minister Miroslav Kalousek said on [Czech Radio](#) yesterday, that we're facing a crisis of confidence in the financial markets. But it is much more than this, because officials have renounced their duty to do what is necessary to deserve that confidence.



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