
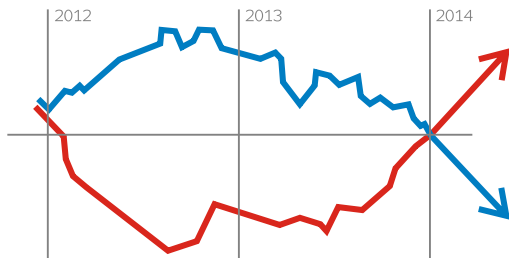


## Politicians and the nuclear switch

CNB Vice Gov. Mojmír Hampl told [Týden](#) a month ago that when he warned against "[flipping the nuclear switch](#)," he had in mind the moment when an independent central bank starts directly financing the government. This should not be done, he said, and it has not been done in the CR. When the CNB intervened against the crown last Nov., the foreign currency it bought remained on its books, which helped the CNB post a Kč 73.1bn "profit" for the year. A new proposal from analyst [Aleš Michl](#) of Raiffeisenbank, who is an adviser to Finance Minister Andrej Babiš, calls for transferring part of this "profit" to the state budget and using it for such things as highways, railroads and schools. This would bring the CR one step closer to the classic kind of quantitative easing that Hampl is so against, but with the crucial difference that politicians would be making the decision to inflate the money supply, not the central bank.

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