

Central-bank overreach on Příkladky

The [Financial Times](#) wrote yesterday about "overreach" on the part of central bankers and said that there is a debate on the Left and the Right about whether the fiefdoms of these unelected technocrats have become too expansive. There has been a surge in their power since the financial crisis, the FT said, and some politicians now want to rein them in. The CNB didn't warrant mention in the article, but the devaluation and cap it applied on Nov. 7, 2013, would certainly count as one of the newly acquired central-bank tools being scrutinized. When we [questioned the authority](#) last week of the bankers on Příkladky to cap the crown without conferring with the cabinet, the CNB responded by saying that from a legal standpoint, the currency regime didn't change and that the IMF doesn't assert that it did. This legalese covers up just the kind of "overreach" being debated globally. However, the CNB's approach is understandable. Imagine the room for leaks and currency speculation if the Bank Board had to confer with the cabinet before exiting from the intervention.

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