

## EDITOR'S NOTE

Welcome to the inaugural issue of The Milken Institute Review, successor to the Milken Institute's quarterly magazine, Jobs and Capital. Our goal is to stimulate informed debate on economic policy, a subject too important to be left to the experts. Our writers have strong, unconventional views: why else print them? But MIR itself will carry no ideological baggage. If you read a message between the lines — well, anything more than a deep respect for the moral and practical virtues of democratic capitalism — I'm not doing my job right.

The theme of this first issue (we didn't plan to have a theme; it just wafted in with the Santa Monica sunshine) is "over-reaching."

**Paul Krugman** of M.I.T. wonders why economists are absolutely, positively sure that the Great Depression can't happen again. "The eerie resemblance of many of today's problems to those our grandfathers faced," he says, "send chills up my spine."

**Larry Lindsey**, the former Federal Reserve governor, accuses euro-enthusiasts of hubris in their rush to a common currency. "The economic ramifications of a single currency zone are far-reaching," he points out, "and Europe may pay dearly for its failure to factor them into the political equation."

**Dan Bachman** of WEFA Inc. explores the irony that expectations of damage from Y2K could prove self-fulfilling. "Modest attempts by businesses and households to protect themselves against the bug could have a large economic impact," he predicts.

**Barry Eichengreen** of U.C. Berkeley takes a hard look at the conventional wisdom that international capital can never be too cheap or too mobile. "Wide-open capital accounts should be the exception in emerging markets," he concludes — "not the rule."

**Nick Eberstadt** of the American Enterprise Institute examines the unforeseen consequences of China's one-child policy. "In laboring to avoid one set of population problems," he writes, "Beijing has insured that another, arguably more daunting, set will emerge in the decades ahead."

We've also included an excerpt from **Bob Frank's** new book, *Luxury Fever*, an attack on the shop-till-you-drop syndrome from a card-carrying member of the economics establishment. And for a little relief from all this Sturm und Drang, we've got a cool-looking charticle, a self-graded quiz, as well as a cartoon strip from **Mark Alan Stamaty**, the creator of *The Washington*.

What's unavoidably missing from this first issue is feedback from you, dear readers. We are eager to print your comments, rebuttals and the like. Indeed, we will be inconsolable if you fail to write the editor (or e-mail at [ppassell@milken-inst.org](mailto:ppassell@milken-inst.org)) to gently correct our contributors' misunderstandings of how the world works.

- Peter Passell