

You may have the leisure this summer to sample the new vintage in Montalcino or to social climb in Aspen. But here at the Milken Institute sweatshop we've been working 24/7 to pack the *Review* with brilliant articles. Well, make that 8/5, with frequent breaks for frappuccinos.

Robert Litan, director of economic studies at the Brookings Institution, examines proposed post-Enron fixes of financial accounting standards and finds them lacking. "A central problem with any monopoly standard-setter is that it has no incentive to respond quickly to market forces, let alone to resist political influence," he writes. "As in private markets, the solution to monopoly is competition."

David Levine, formerly chief economist at Sanford Bernstein, sees efforts to add a private component to Social Security as a diversion from the core issue of how to pay for the retirement of the big, baby boom generation.

"By delaying retirement commensurate with gains in longevity," he argues, "benefits could be maintained without raising taxes because the ratio of workers to retirees would remain high enough to cover the bill." Readers craving more on this subject may wish to listen to the proceedings of a 2002 Global Conference panel, "Pensions: Financing Retirement Across Longer Lifespans," found with a couple of clicks on the Institute's Web site (www.milkeninstitute.org).

Gavin Buckley, a specialist in international finance at the U.S. Treasury, takes a close look at the agency in charge of cleaning up Japan's monumental banking mess. "While

the Resolution and Collection Corporation has often been likened to America's Resolution Trust Corporation, which was instrumental in resolving the savings and loan crisis in the United States," he writes, "neither the RCC's bureaucracy nor the government defines its mandate in a way that offers much hope of a fix anytime soon."

For other views, check out the audio recording of this year's Global Conference panel, "Can Japan Compete in the 21st Century" on the Institute's Web site.

Now for dessert – not one, but two book excerpts. **George Soros's** modestly titled *On Globalization* is anything but modest in conception. The billionaire currency-speculator-turned-philanthropist outlines a plan for dramatically increasing both the quality and efficacy of foreign economic aid.

In *Globalization and Its Discontents*, Nobel Prize-winner **Joseph Stiglitz**, does not mince words about his least-favorite international organization. Thanks to the IMF's handling of the Asian financial crisis, he writes, "capital markets will work less efficiently and the growth of living standards will be slowed. Indeed, the IMF policies in East Asia had exactly the consequences that have brought globalization under attack." – *Peter Passell*