

For some months now the financial news has been dominated by the economic problems of our Asian neighbors. Those who not so long ago were touting East Asia as a success story for government intervention and 'industry policy' have suddenly gone very quiet. In this issue *Policy* aims to put the crisis in perspective. We have an analysis by Peter Swan of recent developments and their implications for Australia, and a discussion with Christopher Lingle on the causes of the crisis and its probable future course.

On the other side of the world, Europe is on the verge of a bold new experiment in economic integration. Antonio Martino, the 1998 John Bonython lecturer, surveys the background to European Monetary Union, which holds out the prospect of a single currency ultimately extending across the continent, constraining the ability of the nation states to indulge in fiscal and monetary mayhem. He concludes that, while the Maastricht process is flawed, it is largely for its virtues that it has been attacked.

Behind these economic questions, as Christopher Lingle makes clear, lies the larger question of the relationship between the state and society, and the importance of what Hegel christened 'civil society' – the sphere of free individuals co-operating independently of overarching government. A number of our other writers discuss aspects of civil society: Andrew Norton on the welfare state and social capital, Aeon Skoble on the bankruptcy of communitarianism, and Mark Latham and Bruce Cohen in book reviews.

Also in the news recently has been the debate over Australia's constitutional arrangements, with the Constitutional Convention showing clear support for a republic but an inability to settle on any particular model. In this issue, Lucy Sullivan provides a provocative view of the problems that republics face, Scott Ryan offers some thoughts on a recent defence of the monarchy, and Frank Devine looks at the remarkable story of how Ronald Reagan came to head the world's most powerful republic.

Controversy continues on the respective roles of state and market in protection of the environment, another topic addressed by our writers. Birgir Runolfsson calls for recognition of property rights in fisheries; Geoff Hogbin considers the scientific background to global warming; and Nicholas Gruen reviews a new study of market-based conservation.

*Schools' Brief* surveys public choice theory, which is not normally covered in the economics syllabus, but would be a welcome addition to it. After centuries of politicians claiming to understand economics, the economists might finally be starting to get their own back.

Readers who watch their calendars, eagerly awaiting the appearance of the next *Policy*, will have noticed that this issue is arriving a couple of weeks earlier than might have been expected. We have embarked on a program to advance our publication dates with a view to having each *Policy* appear at the beginning of its named season, rather than towards the end. This will be phased in over the course of this year, and will be accomplished without any reduction in the size or quality of the journal.

Another change with this issue is the return of 'Book Notes,' short summaries of books received at the CIS that lack of space prevents us from reviewing at greater length.