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PREFACE

This Special Issue of the *Journal of Law Reform* explores the relationship between law and a troubled United States economy. Persistent inflation, declining productivity, plant closings in basic industries, and a host of other economic ills have forced the legal system to respond in at least two fundamental ways. First, the law has been called upon to *solve* economic crises. Wage-price controls and aggressive antitrust enforcement present two examples of this more activist role. Secondly, the law has had to *adapt* to a fluctuating economic landscape. In areas such as antitrust, pension, and bankruptcy law, courts and legislatures have had to renovate old doctrines to fit new situations.

"The Economy in Disarray: Legal Perspectives on Inflation and Recession" deals with both facets of the legal response. In "The Monopoly Component of Inflation in Food Prices," for example, Congressman Neal Smith urges breaking up the meatpacking industry to combat inflation in one critical sector of the economy, retail food prices. In a similar vein, Professor Peter Carstensen, in "Antitrust Law, Competition, and the Macroeconomy," argues that vigorous antitrust enforcement is essential to the success of any fiscal or monetary policy, whether Keynesian, monetarist, or "supply-side." Steven Hunsicker's article on wage-price controls rounds out the activist perspective, maintaining that a tax-based incomes policy, or "TIP," can be an effective supplement to traditional policy tools.

The Special Issue features examples of creative adaptation, as well. Thomas Woodruff's proposal for protecting retired workers from the devastating effect of inflation provides one example of such adaptation. "Failing Companies and the Antitrust Laws," Janet McDavid's exposition of the failing company defense under section 7 of the Clayton Act and section 1 of the Sherman Act, is another adaptive response. Two of our student articles deal with creative responses in the bankruptcy field—development of a "bona fide effort" test to cope with a growing number of personal bankruptcy filings, and an examination of how reorganization law ought to handle consumer warranty claims when a debtor such as Chrysler Corporation goes

bankrupt. Our third student contribution, "Advance Notice of Plant Closings: Toward National Legislation," offers a model statute designed to mitigate the human costs of plant closings, an increasingly common occurrence during periodic downturns in the economy.

As University of Michigan President Harold Shapiro notes in his introductory remarks, the disarray of the United States economy may stem from social and political choices outside the sphere of influence of any legal periodical. The law, nonetheless, is deeply implicated in the country's economic condition. The magnitude of the problem makes it especially appropriate as the topic for the *Journal's* first Special Issue.

—*The Volume 14*
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