***LT 3.1 Level 3***

There are many debates today about the role the government should play in the economy. Should the government stay out of the economy and let the market roll as it will as Adam Smith argued in 1776? Or should the government step in and work on the economy and take some control over it as John Meynard Keynes argued in the early 1900’s? The government has been dealing with this dilemma since we became a country. It came to a head in the late 1800’s as unions started popping up all over, and America began to see that the huge corporations were keeping competition out of the market and treating the workers unfairly. The passage of the Sherman Anti-trust Act led to a new era of government intervention in the economy that eventually led to increased government activity during the Depression and on to today.

If you were an economist, what would your view be on how the government should be involved in the economy? Should it play a major role or should it stay in the background and let the market regulate itself? How much intervention should there be in the economy? Make a logical argument then back yourself up with solid facts.