Solutions

Each answer shows the steps, then the **result**.

2.1

- that laissez-faire policies and competition promoted economic growth in the long run; they opposed government intervention during economic downturns

2.2

- it concedes that the short run may be harmful and argues that the eventual outcome justifies it

2.3

(a)

- outside U.S. borders, to markets and natural resources in the Pacific Rim, Asia and Latin America

(b)

- the opposition applies exactly when intervention is being demanded

3.1 A

- during downturns

3.2 A

- Latin America

3.3

(a)

- short-term cost for long-term benefit

(b)

- the cost falls on identifiable people now while the benefit is general and later, and may not reach the same people