

Exploration

I. Free Enterprise and Government

➔ Find Out

A. The economic freedoms of Americans are protected by the U.S. Constitution. For each freedom listed below, give one example of how our government protects that freedom and explain the importance of that freedom to our free enterprise system today.

	How does our government protect this freedom?	Why is this freedom important to our free enterprise system today?
Private Property	The Fifth Amendment states that ...	This freedom allows people to make their own decisions about ...
Open Opportunity		
Profit Motive		
Legal Equality		
Free Contract		
Voluntary Exchange		

What Do You Think?

B. Besides protecting our economic freedoms, the government also takes actions in the public interest. For example, federal agencies regulate certain industries to protect public health and safety. Choose one of the federal agencies listed in your textbook. Do you think this agency benefits our country? Why or why not?

II. Governing for Growth and Stability

What Do You Think?

A. Look at the progression of events below. What kind of action, if any, do you think the government should take at each step, and why?

Consumers worry about higher prices.



Consumers buy fewer goods.



Businesses produce fewer goods and lay off workers.



Consumers have less income and buy fewer goods.



Some businesses close down.

B. Suppose that it took you two years to invent a device that let light bulbs use two-thirds less energy. You plan to sell your invention to a big company. If the government did not provide patent protection, what might happen to your invention? Explain.

C. In your opinion, which plays a larger role in our country's economic success: government incentives or the American work ethic? Why?
