

TOTAL CTE Word Count for inclusive of quotations and citations (350 STRICT word limit): 348

(**NOTE:** Include the prompts. Do not exceed one page or the word limit. Upload as a 1-page PDF to Gradescope by deadline.)

1. Identify and articulate ONE cross-cutting theme (or debate) from this week's materials. Remember that a theme is not a topic. "This week's theme is competition" is insufficient. What do this week's materials together say *about* competition? A better theme would be "this week's readings discuss the complex and controversial role of the state in the creation and management of markets." Reference and cite at least THREE readings. Use this citation format: (Smith 2019, 4). (~ 225 words)

This week, we continued our discussion about the role of the government in the market economy. Hayek argues that one of the "fundamental principle[s]...[is to] make as much use as possible of the spontaneous forces of society, and resort as little as possible to coercion". (Hayek 1944, 71) In other words, Hayek argues against government control and believes in the spontaneity of the individual. He supports this by further arguing that we have "been able to develop...[a system for the] division of labor because [we] happened to stumble upon a method which made it possible" (Hayek 1945, 8), highlighting the spontaneous nature through which civilization was discovered. However, despite these beliefs, Hayek also argues that "nothing has done so much harm to the liberal cause...[as] the principle of laissez faire", indicating that while he believes in a free market, he also believes that a totally free market is also detrimental. This is very similar to Friedman, as he argues that "the existence of a free market does not...eliminate the need for [a] government" (Friedman 1962, 15), and that the government's role is to "provide a means whereby we can modify the rules...and enforce compliance with the rules [for] those who would otherwise not play the game". In essence, Friedman argues the only role of the government is to make sure that the market is fair for everyone involved.

2. Pick ONE reading and carefully critique the author's methodology, evidence, tone, underlying assumptions, and/or biases. Do not praise the author or work. Rather, be critical and be specific. Include ONE citation. (~75 words)

Hayek's argument that "we make constant use of formulas, symbols...whose meaning we do not understand" to probe "knowledge which individually we do not possess". (Hayek 1945, 8) seems to be flawed. However, the formulas and symbols we use are precisely a representation of our understanding of the world, rather than what we don't.

3. Offer ONE clarifying question about one of the readings (e.g., something you didn't understand) OR a thoughtful question for discussion section (e.g., "can market competition be regulated in states?"). Your question could link to ideas from another week or to current affairs. Avoid questions that are too general or rhetorical. Be specific. (~25 words)

If Hayek is clearly an advocate against government control of markets, why does he claim that laissez faire was a "necessary and unavoidable", almost as if it were a necessary evil?

4. What reactions – or connections - do you have to this week's materials? Consider: What were you surprised to learn? To what extent are these materials relevant to today? We are looking for thoughtful reflections. (~25 words)

Friedman's argument that governments are responsible for mediating trade reminded me very much of Butler's position on the government, as they both argue that governments are necessary but they should also not interfere with trade itself.

Do not exceed one page.