

The Best Book on the Market

How to stop worrying and love the free economy

Eamonn Butler
Director, Adam Smith Institute



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on the Market

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*‘Market’ is one of the first six words that every
English-speaking child learns: as in
‘This – little – piggy – went – to – market.’*

– Former UK Chancellor of the Exchequer
Lord (Geoffrey) Howe

CHAPTER ONE

The Amazing World of Markets

A TRIP TO THE MARKET

Few Westerners visit the dusty industrial city of Lanzhou, on China's Yellow River. Even fewer venture up the narrow dirt road that I am on today – which is home to one of the city's street markets. It is lined with stalls, their thin wooden poles supporting roofs and walls of dingy fabric. From beside one of them, a small boy stares at me in amazement, then runs in excitedly to report this strange sight to his mother.

She sits, by a spring balance twice her age, in the cramped space that remains behind all her stock: sacks of rice, grain, sunflower seeds and nuts, and above them a rickety shelf crowded with bags full of brightly-coloured spices – which prospective customers are sniffing and tasting, before checking out the next dry-goods stall.

*Plastic baths of water, full of live fish,
jut into my path.*

The boy still stares, still goggle-eyed. But I press on purposefully. The next stall is piled high with melons, bananas, pomegranates, limes, ginger, leeks, potatoes, beans, maize, cauliflowers and strange vegetables. The stallholder, a young woman with long black hair, is scrubbing one such vegetable over an enamel bowl full of water.

A bell rings behind me. I move smartly out of the way of a bicycle pulling a steaming brazier, the size of an oil drum, from which its owner sells hot soup.

I walk on. Plastic baths of water, full of live fish, jut into my path. Next, there's a stall with wooden cages full of live chickens, ducks and pigeons. Then more fish, this time in steel pans. Then someone selling underwear. Next, a hardware stall with countless woks, earthenware jars, glasses, rice-bowls in tottering stacks, brushes of all shapes and colours, dustpans, buckets and more. A second bell heralds another bicycle, this one carrying a precarious pile of squashed-up cardboard boxes that someone is taking for recycling, all bearing Chinese lettering in garish colours. Meanwhile, smoke drifts across from a stall with hot food (it's best not to ask what) sizzling on a gas stove that is well past pension age. Another stall offers cakes of various sizes and colours, nestling incongruously alongside sausages, hens' feet, rolled meat, fishcakes and balls of – well, again, I am not really sure that I want to know.

NO WORDS, BUT MUTUAL BENEFIT

I have reached my goal: a tiny wooden kiosk with no door and a large unglazed window. Inside sits a young, attractive girl in a red shirt, the street market's only seamstress. She has no sewing machine – though one day, perhaps, she will have saved enough to buy one – but she stitches by hand with great precision.

We cannot speak each other's language, but I hand her the slacks that I am holding, and show her how the hems have come adrift. She grasps my meaning immediately, and

nods exaggeratedly – as if to make plain, even to someone unlucky enough not to be born Chinese, that she understands. I want to know the price: so I point to my palm with a puzzled expression on my face. She holds up five fingers, which I guess means five Yuan. That's probably way over the going rate, but to me it's a tiny sum and I would much rather pay it than waste time looking for another seamstress.

*Barefoot children gather to stare
at this strange creature.*

I nod. The slacks are plucked from my hand, out comes the needle and – worryingly – some rather garish pink thread. I stand outside – there is no room for two in her small workspace – and look around as I wait. Further from the main thoroughfare, the stalls give way to people selling fruit, vegetables, oil, rice – even underwear – from carts. Further still, vendors sit on the ground, their goods spread out on a simple sheet.

Barefoot children gather to stare at this strange creature that has landed among them. But within minutes, my hems are neatly stitched, without a speck of pink thread to be seen. I gladly pay the agreed fee, and leave with much mutual smiling and nodding. I seem to have made her day – though I hope it's because I'm exotic, not because I have overpaid. And she has made mine: I can now attend my evening banquet without safety pins in my hems.