

# The Magic of Free Trade

*Guest post by Arthur E. Foulkes.*

The fifth graders looked up as I placed a gift on each of their desks. Each student randomly received a small item, such as candy, a box of crayons, a magic trick, or a comic book. After giving each child a gift, I told the students they could each trade—if they chose—with the person seated to their left or right. Several made trades; some didn't. Next I told them they were free to walk around the room and exchange their gifts. In a moment the room was filled with excited kids making trades.

When they had sat down, I asked them how many traded. Nearly all had. How many felt they were better off after their trade? I asked. They all did. I was trying to teach these fifth graders a little bit of the magic of trade—how it allows us to improve our lives while improving the lives of others. As long as the people trading do so voluntarily, trade is always a win-win proposition. But trade is far more magical than this.

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