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Rank taxis [1]

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"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."

This is one of Adam Smith?s most celebrated insights. In these days, the conspiracy usually includes some government body or agency to facilitate the businesses? objectives. Purveyors of green energy products have merrily colluded with governments for subsidies and tax breaks. Mortgage lenders were more than happy to divert their risks to Fannie Mae and Freddie Mac.

Now here?s a story from a local weekly newspaper that covers the same ground:

> *TAXI drivers have welcomed plans to install meters and minimum fares in the district?s cabs.*
>
> *The introduction of standard tariffs is due to be agreed on by Epping Forest District Council?s licensing committee later this month, after 150 taxi drivers of the 200 consulted said they agreed on the move.*
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> *Azid Sanu, 34, of the Epping Forest Taxi Association, said: ?We think meters are a good thing. There are people out there who charge high fares and there are people who charge ridiculously low fares. It causes a lot of confusion, because if a passenger pays one fair one day and the next it?s doubled, as far as they?re concerned, they?re being ripped off. If the fair (sic) was regulated, everyone would charge the same.?*
>
> *He said he had been in disputes with passengers over pay and had been forced to drive to police stations in the past when they had become aggressive. ?I hate doing that and would rather not,? he added. ?It?s better for everybody if the fare is regulated.?*
>
> *He added that the standard fares would stop larger taxi firms under-cutting self-employed drivers. ?You have to make the fares realistic, with the price of fuel and insurance,? he said. ?They (the council) will have to make sure they?re fair.?*

Not everyone will be better off, Mr Sanu. Customers won?t be able to shop around for the best deal and new entrants will find it harder to break into the business. But that?s what happens when cabbies get together for a bit of merriment and diversion.

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