

My Barbers

by Joseph S. Fulda

When Alex, my Greek barber, retired, I tried several haircutters before settling on a barbershop on West 180th Street on the corner of Broadway, up a bit toward Fort Washington Avenue, in New York. Although Spanish-speaking like all the neighborhood's barbers, the three barbers working at this shop were able to understand my instructions. They did a really fine job, too.

Some years passed, and they grew increasingly disenchanted with the new owner of the store, who wanted them to pay for their own tools of the trade and wouldn't allow them common decencies. So what did they do? Sue? No. File a complaint with a city, state, or federal agency? No. In the best American individualist tradition, they quit to go into business for themselves. To this day the owner of that barbershop has not found success in his replacements. But our heroes pooled their money, bought equipment, and a mere month or two later were in business again—as the competition, located on West 180th Street on the corner of Broadway diagonally across from their old place, a bit down toward Wadsworth Avenue.

They did well in that location, and one of the three eventually retired. The barbershop was located in the first chamber within the building. Through the outer door, one could

bypass the barbershop and go behind it. I never knew what went on in that part, as there was neither an exit from the barbershop toward the back nor a window. I was eventually to find out when one day, needing a haircut, I came across the store padlocked with a prominent sign: Closed by order of the New York State Supreme Court—Illegal Gambling site. (In New York, the Supreme Court is the court of first resort for serious cases.)

Of course, I had all the libertarian reactions—but of more immediate interest, I still wanted my hair cut! I went next door to the travel agency to ask what had happened. There in the waiting room's corner was a barber chair with equipment and supplies and one of the two barbers. This resourceful man had persuaded the travel agency to rent him enough work space to do his job. Meanwhile, I learned, the other barber was working at home on Pinehurst Avenue just north of West 180th Street.

Sensing a story, I began to ask questions. The barbers had not known what was going on in the back—and did not care—and hoped the store would soon be allowed to reopen. The authorities did allow them to take possession of their property, after all. (Remember, the state, not the federal government, shut the place down.) The travel agent told me that business was slow and she was more than happy to have the barber defray some of her expenses. The neighborhood, you see, is comprised of numerous immigrants who return frequently to their native countries; travel

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agencies flourish, but there is stiff competition among them for the large market.

Still Partners

I continued to use my barbers, going sometimes to one, sometimes to the other. As a libertarian, I felt a special need not to help the state destroy these men's living—and I recalled that when Alex retired and I started looking for a replacement, I got some fairly unwelcome haircuts in the interim! I learned in discussions with them that my barbers remained partners, splitting their expenses and proceeds. The small space was not designed for comfort, but the haircuts were still up to par. Unfortunately, their hope to reopen their store was not to be realized, as a restraining order was eventually posted on their old place of work.

Undaunted, the two barbers showed their resourcefulness yet again and somehow managed to obtain a store on Broadway between West 180th Street and West 179th Street. The reader can visit them there and attest to the truth of this tale while having his hair cut.

The qualities these barbers showed in the face of market adversity (the change of owners in their original place and the bad working

conditions) and government obstacles are not just resourcefulness, ingenuity, and determination. They also benefited from their ability to cooperate—none would have been able to open their second store without the other two and neither of the remaining barbers would have been able to open the third store without the other. I suspect most people would have severed the partnership or acted in a way that would have made maintaining it an insuperable obstacle—and that would have proved their undoing.

These three entrepreneurs and countless others like them across this land are the real, if unsung, heroes of American capitalism. Their stories do not make for captivating biography; they are not the stuff of heroic novels; they are neither titans of industry, nor great innovators, inventors, or investors. But they epitomize the Franklinesque virtues that made America great, and they and others like them are the reason why not everything in this fair land is sold in chains and franchises, as marvelous as those bulwarks of capitalism have admittedly proven themselves. They're the sort of entrepreneurs who provide much more than labor and capital in a felicitous combination; they give the word "independent" a strong, favorable cast. □

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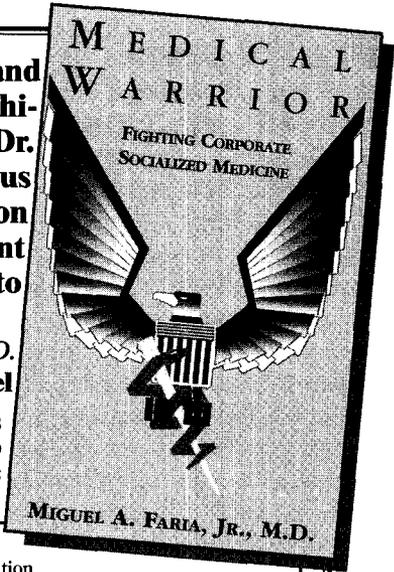
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The Love of Economics

I attended a lecture recently on romantic relationships, and some in the audience became agitated when the speaker invoked economics in his analysis. Beyond the obvious financial issues, many people just did not understand what economics has to do with dating and marriage. This points to an unfortunate feature of many people's understanding of economics.

Economics is not primarily about money and stock markets. Those are topics within economics. Economics is the study of certain implications and consequences of human action; hence the title—*Human Action*—of Ludwig von Mises's magnum opus.

"Human action is purposeful behavior," Mises writes at the start of his treatise. We can identify a long series of facts about human action without doing "research." This is what distinguishes economics from physics. In economics the unit of analysis is the individual, which we know from the inside, so to speak. As human beings we can observe introspectively the features of action. In contrast, when we observe stars or molecules, we are outsiders. We can make repeated observations and experiments to discover the principles and relationships of entities, but we cannot have the same intimate knowledge that we can have about human action.

We can all readily see that when we act, certain things must be true. An action consists in the pursuit of an objective, or end, using means perceived as appropriate to its accom-

plishment. This has many implications. Acting is choosing. To pursue an end is to choose it from an array of alternatives, including the option of "doing nothing." To embark on a course of action intended to obtain an end is a form of exchange. The actor opts for the intended state of affairs over the future circumstances envisioned in the absence of the action. Implicit in the necessity of choice is the idea of scarcity. All means, beginning with time, are scarce. You can't choose A and non-A at the same time and in the same respect. You can't "have it all."

Opportunity Cost

If action entails choosing one thing rather than another, all action requires giving something up, namely, the most highly valued alternative not pursued. The alternative forgone is the cost of the action, more precisely, the opportunity cost. We can say with certainty that when we act, we value the satisfaction from achievement of the end sought more highly than the satisfaction expected from the highest value forgone. (Anticipated satisfaction can't be measured or subjected to mathematical operations; nor can it be compared person to person.)

Some have criticized this Misesian approach as mere tautology, true by definition. But clearly it is more than that. One's action demonstrates a preference for the chosen objective over anything else one could have aimed at. Hence, Murray Rothbard's term "demonstrated preference." This is not

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