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### Biography

Bradley K. Hobbs is a university professor who developed an appreciation for both morality and profits through his experience as the child of a successful, small business entrepreneur. He has always been deeply curious about how to help make the world a better place. He has, somewhat begrudgingly, become convinced that capitalism is the only social arrangement consistent with human flourishing. He resides in the U.S. but considers himself a citizen of mankind.

### Abstract

My Father's Drugstore is a collection of four short vignettes explaining how my father taught me the lessons of morality, integrity, profit, and trust. Being a sole proprietor of a community drugstore who worked many long hours, he was able to incorporate his children into his store and to use this experience to confer many lessons. The patch jackets, the popcorn popper, the mayonnaise jar, and *The Highwayman* each taught this entrepreneur's young family deep lessons concerning the benefits of market exchange, the role that responsibility plays in life and the proper and humane actions of individuals within their larger communities.

## My Father's Drugstore

My first glimpses into profit and its role in serving society are deeply intertwined with memories of my father. He was a man who told me repeatedly that there were two rules of business. First, "The customer is always right," and second, "Profit is *not* a four-letter word." I believe that for most entrepreneurs, unfamiliar with the nuances of philosophy, these two rules do a good job of capturing much of the essence of the proper relationship between profits and morality.

My father's example as the sole proprietor of a community drugstore provided numerous lessons that affect my current views on entrepreneurs, the roles that they play within communities, and profit. Though he worked six days a week, from "9-until-9", in the years during which I passed from childhood to adolescence and towards adulthood, many of life's important lessons came under his tutelage in that drugstore. For my father, there were few conflicts between profit and morality, rightly understood. Profits that you could be proud of were always made with due consideration for the moral and the ethical: to ignore this and to act otherwise was to damage the long-run sustainability of his family's livelihood. The pursuit of immediate, but spurious, gains was simply short-sighted in the realm of profits themselves. This essay covers four events which occurred in that drugstore that formed my views today on the proper relationships between profit and morality.

## The Patch Jackets

My father's drugstore was located near Cape Canaveral, Florida, and in the heyday of the U.S. space program the area was filled with all of the excitement and expectations that manned space exploration brought to the world. Many of my friend's parents, usually their fathers, worked at the space center. There was also the periodic influx of visitors – some famous and some unknown - who wanted to share in the adventure of human space flight, who were an integral part of that milieu. My father too, was swept up in the "race for space" and he carried an array of space memorabilia. People collected smartly

designed and brightly-colored cloth patches from all sorts of endeavors and among my peers “patch jackets” were common. Patches were available for every space launch you can imagine: Project Mercury, Project Gemini, and the Apollo-Soyuz Project were all there. We kept them on shelves under the front counter and sold them from the store’s front register.

My brother, Mark, and I, being enthusiastic fans of patch jackets, understood the value of these little pieces of colored cloth, and during slow times I recall counting through those patches, looking at all of the different designs, and making mental notes on which one was next for my jacket. I also knew that we were not alone in this interest, given the sales I rang up on that old cash register. So my father, brother, and I hatched a plan.

Though I don't recall all of the details, by the time “the next” rocket launch was scheduled my brother and I each had one of my mother’s hand-made, bright, yellow vests covered in a rainbow of those patches. On the appointed morning, we arose to my mother’s best breakfast and my father drove us to an area where we knew all sorts of spectators would be lining up on the beaches to watch “the launch.” He dropped us off with explicit instructions to sell what we could while making our way down to the restaurant that hosted his Kiwanis luncheon by noon. Our marketing attire was accompanied by two plastic fishing boxes packed to the brim with patches and some seed money to make change.

We arrived at the agreed upon time after walking the couple of miles down the beach, and I will never forget the smile on my father’s face as my brother and I simultaneously reached into our pockets and pulled out raggedy piles of one-dollar bills and opened our tackle boxes to show him they were empty. He, of course, summarily suggested we call Mom to bring more patches. As I recall, we didn't sell quite all of them, but by the end of that day two tired young boys had made quite a tidy sum for one day’s work.

As always, once we paid him for the patches the rest of the money was ours with the usual stipulation: half went into our savings accounts and half we could keep. I remember our father explaining to us that we had provided a valuable service by bringing the patches to people and that we had identified a market “ripe for the taking.” There was no discussion of being ashamed of these profits: in fact, as I recall, all three of us were darn near giddy about what had transpired that day.

Though I didn’t recognize it then, my brother and I both learned that trade and exchange create value and that bringing these patches to willing consumers provided benefits for both them and for us. Profit was the byproduct of meeting the desires of people we did not even know; people who had often traveled many miles to see perhaps, their only space shot. People who *wanted* to take back a reminder for themselves or their families. *Perhaps, they were taking it back for a son or daughter with a patch jacket just like mine.*

### The Popcorn Popper

An important aspect of the morality of a profit system is responsibility. In a true market economy, backed by an expectation for ethical behavior and integrity, people are held responsible. If an entrepreneur combines resources and destroys value he will suffer losses and receive a clear signal that his desires do not coincide with the desires of his consumers. If the entrepreneur is correct however, then profits naturally flow from meeting the needs of others. It is my experience that true entrepreneurs understand these facts deeply and intuitively. The response of a real entrepreneur to their misjudgment of the desires of consumers is to simply to pick up and try the next venture. They embrace this crucial responsibility and being held accountable for their actions is no cause for demure.

I found similar lessons from my experience in my father’s drugstore. From an early age, my parents taught us fundamental principles of morality which were quite similar to those of a successful business enterprise. They did their best to hold us accountable for our actions. This was always done with kind

restraint – or at least their best attempt at it – and negative consequences from actions were separated by a wide line from love. Conditional love had no hold in our household: love simply was. But we were almost always held responsible for what we did: be it worthy of approbation or shame.

I believe I was 11 years old, and Friday evening was, by far, my favorite. The school week had ended, Saturday was on the horizon, and I always made a few dollars working at Dad's store to spend on the inevitable bicycle adventure that was to occur the next day. But this Friday night was relatively slow. If there is anything worse than standing at the front register and waiting for customers to come in, I was quite unsure what that would be; but I was sure it was just short of Hades. My brother and I, feeling the coming rambunctiousness of Saturday, decided to play a little game of tag in the customer- barren aisles. I remember my father looking over the back counter from the pharmacy section and telling us to be careful: something like "the store was not a place to run in and we might topple one of the displays." As always, he went back to his work and left us alone: and responsible.

Within five minutes a diving plunge to "tag" my brother had me sprawled upon a display of electric popcorn poppers that just happened to have glass tops. Of course, the shards of glass went everywhere and there was no way to hide the commotion. My father came around the corner from the back pharmacy, gave us each a stern look and said "Who's going to buy that popcorn popper now?" This young man, who, at every turn, tried to shield himself from responsibility, knew that there was no way out of this one. There was only one right answer: "Me."

As I recall that popcorn popper was about \$5, and I had that base and bowl (with an old aluminum top Mom found) until well after I got married some twenty years later. I have never forgotten that popcorn popper. I knew, and Dad knew, that its demise was my responsibility. To this day, I believe that my paying him for that popcorn popper hurt him a lot more than it did me. Paying for the damage was not the point: taking responsibility for my actions was. As a parent myself, I now know what that took. I

also understand that Dad taught me a lesson worth thousands of times the disappearance of my entire day's wages.

Markets ought to do something very similar. Moral action within a market requires individual responsibility. We must: honor the contract, even when it turns against us; cover our liabilities, even when we did not foresee them; pay our debts, even if we don't wish to; and act with integrity, even when it is difficult. In short, we must become responsible. A person capable of appreciating the fact that freedom *sans* responsibility is often simply presumptuous and self-centered indulgence.

### The Mayonnaise Jar

Being a "community drugstore" my father thought it would be good idea to install a small post office in one corner of his shop. He also knew that customers would walk to that back corner of the store and have the opportunity to pick-up a few items from the always over-stocked shelves. Due to the official nature of the post office in those days, it also turned out that customers often needed a public notary. In lieu of collecting a posted fee for this service my father decided that a large mayonnaise jar in which to collect voluntary donations - clearly marked, "To Be Used for Community Activities" - would be a better option.

I'm not sure how much money went through that mayonnaise jar in the years that my father operated his drugstore, but I do know that there were many entry-level Little League games played with a "Hobbs' Drugs" t-shirt worn by every player. I'm not really sure what other community functions were funded through the jar, but I do know that the local newspaper did more than one story on the bountiful plenty flowing through it and back into the local community.

My father was particularly proud of that mayonnaise jar. For him, I think it embodied not only his commitment to the community, but more importantly the commitment of *his community to him*.

Making a profit was never an act of greed for Gary Hobbs and while there are those who argue that “greed is good,” I sincerely suspect this interpretation rings hollow for him. He viewed his business activity as an extension of his community activity and vice-versa.

### The Highwaymen

The civil rights movement in central Florida had similar effects on central Floridians that it had throughout America in the waning years of the 20<sup>th</sup> century. As our nation began the process of *truly* committing to the principles of our Constitution – the right to life, liberty and the pursuit of happiness for *all* Americans - there was one enterprising group of African-American artists who subsequently became quite well-known as “The Highwaymen.” They gained their name because most of their paintings were sold roadside up and down the east coast of Florida along the two major north-south arteries: Highway A1A and U.S. Route 1. Back then, self-trained artists were not in vogue. Art collectors in urban areas preferred “fine art” and the works then labeled as “primitive art” and later as “folk art” were ignored by urbane and sophisticated art patrons.

I'm not quite sure how it happened, but my father offered up the top row of a store-long set of shelves as a display place for the paintings of these men. My mother was the artist in our family and as far as I could ascertain, Dad knew little about art. Regardless, he proudly displayed their work in his store. I clearly remember watching these men opening the back door of an old Chevrolet station wagon and pulling out painting after painting to proudly display on the walls of Hobbs Pharmacy. It was purely a consignment deal, I'm sure, but these men all trusted my father to negotiate the best price possible and to turn the cash over when they showed up again. My family ended up with three or four of these jewels: I suspect we became owners when the men came up short on the revenue side of their cash flow statements. I can easily see my Dad periodically buying a painting to help them get down the road to their next stop or to buy the canvases, paint and frames they required to continue their craft.

Though my father grew up in an era prior to the civil rights movement, he practiced a morality that valued all human life - be it black or white. If these artists could make a profit by displaying their work in his drugstore, he was not about to discourage that. I suspect he encouraged these artists to make a few dollars. I never saw him encourage anyone otherwise. I don't know if he took a cut or not, but I suspect that he did. I also believe that these men viewed my father's store as a brief but valuable oasis in the many difficult journeys each of them faced as African-American artists selling their art by the side of the roads in Florida during the beginning periods of the civil rights movement.

### Lessons Learned

Profit has earned the venomous damnation of many – particularly those who prefer government to business. But in my experience a rise in the ratio of business activity to government activity is a cause for moral celebration. Whereas governments do grant benefits, those benefits are often divorced from costs and may even be ill-gotten when the coercive power of collective action is used to extract monies from some individuals in order to simply transfer them to others. True business profits occur only through a *quid pro quo* in which value is created on both sides of an exchange. There is no coercion and there is no force.

The commercial world is filled with a multiplicity of diverse communities that are served, not damaged, by businesses of all sorts, stripes, sizes, and origins: businesses that share but one common purpose - to make a profit. My father's drug store was one of them. Each of the vignettes above revolves around that small community store and the lessons that I learned quite early in life regarding business, morality and profit. Exchange makes us better off, freedom and life require us to take responsibility, and we are all part of at least one larger community.

Each of these lessons has broad applicability. The exchanges I make every day cover an almost incomprehensibly wide array of goods and services that are delivered to my household by firms ranging

from local sole proprietorships to large, “faceless”, multinational corporations. Each exchange is undergirded by numerous other communities of exchange infused with deeply *human* arrangements based upon the moral behaviors we call trust and integrity. Market exchange is simply a natural outgrowth of human action.

***I like a firm that makes profits.*** If customers confer profits upon a firm in a true market economy, you can rest assured it's because that firm is a means to the delivery of want satisfactions for its customers and that those customers are in the exchange voluntarily. We remain interdependent, yet we are not made subservient. Under capitalism we have the good fortune to be able to escape the world of castes and pre-determined classes: dynamic change is capitalism's ubiquitous characteristic.

In real markets we are held responsible for our actions and the results that emanate from those actions. Markets simply reflect the morality of the individuals engaged in the exchange, and when moral failure occurs that failure rests not with the market but with those individuals (which is, perhaps, one of the major drivers of the anti-capitalist mentality.) I deeply admire the actions of the Hasidic Jews who have played a long role in the diamond trade in Antwerp, Amsterdam, London and New York. Multi-million dollar deals are made with a handshake, and all are better for it. Trust and integrity are crucial components for market exchange and to deny this reveals a sophomoric understanding of the way the real world works. The core ethical responsibility of market actors is to act with integrity and trust: in short, to be moral.

I often introduce the concept of market exchange with the story of my daily cup of coffee. I freely walk into the local coffee shop, I freely open my wallet and I freely provide revenues for my local *barista*. In return, the owner of this shop provides me with a fine cup of Joe. I don't pay with counterfeit money and if the change is miscounted either way, I point it out. My *barista* provides me with a quality product that I am willing to purchase on a repeated basis. I willingly to come back again and again, and I hold no

grudge against him for it, nor he against me. Neither one of us is angry at the exchange or bitter after it. If I get a bad cup I have no doubt that a quick apology and a fresh, hot cup would be forthcoming. For me this act of exchange embodies trust and defines a morality I can embrace. A morality where each party acts with integrity treating the other as he himself would wish to be treated. What closer approximation to “the golden rule” can we expect to attain?