

# *Capitalism and Morality*

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## **CATCHING DREAMS: PRESTON TUCKER'S FIGHT FOR FREE ENTERPRISE**

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In the film *Tucker: The Man and His Dream*, director Francis Ford Coppola illustrates the life of Preston Tucker, an ambitious entrepreneur who invented and produced the Tucker automobile in the 1940s. In the movie, Tucker Motor Company is fraught with complications from the very start, including the lack of money, supplies, and time. To keep their business—and morale—afloat, Tucker's employees rely solely on his impervious positive outlook and his confidence in the free enterprise system. However, even Preston finds his confidence beginning to wear thin as he stands at the feet of the Goliaths of the automobile industry: the Big Three (also known as Ford, GM, and Chrysler). Dwarfed by their power and connections, Tucker quickly becomes the subject of investigation by the Securities and Exchange Commission. The Big Three do not want new competition, and the ensuing turf war demonstrates the SEC's unprincipled talents at protecting the established companies.

In the film, Jeff Bridges' first scene as the legendary Preston Tucker shows a family man, giddily happy with life and everything it has to offer. His idealism is endearing, and those closest to him undoubtedly recognize that as his most charming quality. His patient wife just smiles knowingly when her husband pulls up the drive with 12 dogs as his passengers, all traded for one old car. He figured "you can't walk away from a trade like that." This off-the-cuff statement is actually a celebration of the American capitalism that Tucker believes in. He is excited by a system where deals are negotiated and profit is the reward of intelligent trading. And like most Americans, he is a sucker for a bargain. The most enticing bargain of all, however, is the American free enterprise system. What a deal: work hard to turn an idea into a profitable venture, and you will be duly rewarded. Tucker has a blind faith in this system, where an entrepreneur has the right to challenge even the largest industry giants, and where a man with an idea can freely pursue greatness based on the simple premises of intelligent planning and hard work. Tucker revels in the honor of living in a country so great that this opportunity is available to all. And for a man like him, just having the opportunity is an open door for success.

Eager to get started, Tucker wastes no time. He begins by hiring an agent, Abe Karatz, to help him find the money to fund his project. Karatz, however, doesn't think Tucker stands a chance. The boys in Detroit, he says, have already spoken for the profits of the automobile industry. Tucker would flounder in their wake. Adament, Tucker encourages Karatz to just listen to his ideas, to which Karatz responds, "*Ideas?* Einstein's in the idea business. He makes up numbers so high only a dog could hear them, but what does it cost him? A piece of paper, a couple of pencils. To make cars you need millions of dollars." Convinced that Tucker is a lost cause, Karatz takes his leave, dashing all of Tucker's hopes for financial backing to build his car.

Nonetheless, Tucker's resilience (which is so indicative of a true entrepreneur) allows him to blaze yet another path toward his goal. According to Tucker, "people believe what they read in the papers even if they don't believe it." People *want* to be caught up in the excitement of something new and radical. They want to be entertained by the ideas of innovators and masterminds. Consumers are the shoulders upon which capitalism stands. Hence, running a flashy ad in a magazine gives Tucker all the whiz-bang effects he was hoping for. The letters pour in by the hundreds. Everyone, it seems, wants to buy a Tucker.

Of course, Tucker quickly learns the difference between "people who write letters" and "people who buy stock." He desperately needs financial backing, and fortunately, it's all those people crazy about the Tucker automobile that gets Wall Street's attention. Before he can blink, Tucker secures a meeting with Floyd Cerf, an unconvinced stockbroker who would still need some prodding before handing over a dime. But Tucker's charisma and entrepreneurial spirit comes to his aid yet again. After their meeting, Cerf agrees to cooperate.

Cerf brings into play a man named Robert Bennington, an experienced executive in the automobile industry and an excellent candidate to run Tucker's small company. Then comes the meeting with the War Assets Administration, which votes to allow Tucker the use of the world's biggest plant, once used as a factory to produce the largest airplanes ever constructed. And finally, henceforth comes the deadline: 60 days for a working prototype.

The team would have given up just then, if it weren't for Tucker's persistence and confidence in his men. Nonetheless, it doesn't take long for the problems to arise. Engineering the vehicle proves to be a harder task than Tucker had imagined. The fabled double-torque converters won't work; they are replaced with a transmission. The moving fenders are sacrificed for a moving headlight instead. The fuel-injection is discarded. Tucker's dream begins to fade.

On the day of the Tucker automobile's unveiling ceremony, the team is tired, frustrated, and irritable. They have been bickering for days. Their creation may *look* like everything Tucker had promised, but despite its appearance and the fact that the engineers were able to save the concept of the rear engine, the car really couldn't be further from the original conception that had gained so much publicity. Nonetheless, despite the men's anxiety and their smoke-and-mirrors presentation, the unveiling is a smash. Tucker had pulled it off.

Unfortunately, his luck begins to wear off when he receives notice from Bennington that the price of the car will have to be doubled, to make up for the increase in the price of steel the company is paying. And gradually, bit by bit, Bennington shaves off many of the selling points, mainly the safety features that Tucker had imagined for his car. And Bennington was in charge. He had every right to do it. Control of the company had been swept out of Tucker's hands.

From here, the investigations become nonstop obstacles in Tucker's progress. He discovers from Abe Karatz that rooms have been wired and forty "G-men" are following him around the clock. In his frustration, Tucker asks, "What did I do wrong?" Abe responds, "It's what you did right. You made that car too good. They can't afford to have competition like that. It'll cost them millions, maybe billions."

A court case seemed inevitable, and the time had come. Tucker finds himself charged with twenty-five counts of using the mails to defraud, five counts of Securities and Exchange violations, and one count of conspiracy to defraud. But although Tucker loses his plant and his company, he saves himself by delivering an exceptionally heroic and profound speech in defense of the American free enterprise system. This speech is truly capitalism at its best.

All in all, Tucker's story is that of a man who might have revolutionized the automobile industry had the established Big Three corporations lived up to the challenge. Instead, Tucker becomes a victim of their fear and self-interest. In a system whose rules can be summed up in a phrase – let the better man win – it seems a harsh injustice that the better man did not.

***“Isn't that the point? To build a better mousetrap?”  
“Not if you're the mouse.”***

Despite how much we admire Tucker, we also cannot forget that he does not always play the game as cleanly as one might expect from the “honest” businessman persona that he likes to portray. In a way, he takes advantage of the public's trust by publishing a boastful advertisement promising many things that he cannot deliver. He also misleads stockholders by making them believe that his prototype is ready for presentation, when the truth is that it barely exists. No matter how good his intentions, these are risky moves that may have helped propagate his problems. If he were a little less naïve and a little more seasoned in the psychology behind the established corporations' motives, one wonders if Tucker *may* have been more successful. However, no matter the reason, or reasons, behind Tucker's failure, there is certainly no excuse for the oppressive behavior of the Big Three and the SEC.

According to Gregory Rehmke in his article *Preston Tucker: A Generation Too Late*, “firms can only head off new competition by producing quality products efficiently, and keeping prices down. Had the Tucker Corporation survived, the Big Three automakers would probably have, decades earlier, adopted many of the Tucker '48's new technological and safety features.” Tucker instinctively knows that his introduction of seatbelts implies to the buying public that cars without them are unsafe. He emphasizes this selling point at a lunch with the War Assets Administration, where he shows slides of accidents and people who were injured. Tucker's intrinsic understanding of what “sells” the American public is his most valuable asset, and it's also what makes the Big Three so afraid of him. If they are to survive this “Torpedo,” then they either have to “produce quality products efficiently...keeping prices down” or resort to unethical activities that will snuff out their competition. Unfortunately, their choice says a lot about their self-confidence and capabilities: they know they cannot beat him fairly.

***“Don't get too close to people. You'll catch their dreams.”***

There are many things about Preston Tucker that are contagious, but the most “catchy” is his sky's-the-limit attitude. He's a true dreamer, a man with extreme vision. But more than that, he's a man who can make a stranger believe. Karatz caught the bug, and so did Jimmy and Alex, and a large percentage of the American public. Tucker also has the stamina and follow-through to turn his dream into something real—in fact, something extraordinary. It seems a crime that something this good might possibly fail, especially by the machinations of others who have been the beneficiaries of this same free enterprise system.

True free enterprise is very akin to natural selection: only the fittest survive. Businesses that efficiently produce quality products for the most affordable cost will endure. However, unlike the amoral nature of Darwinian principles, the institution of free enterprise is inherently moral. Under the system, everyone gets a fair chance. Equal opportunity for all means equal chance to succeed or fail. It is when this freedom is intentionally violated that the system breaks down and injustice is done. Tucker is an unfortunate victim of this breakdown.

In Tucker's own words,

“We invented the free enterprise system where anybody, no matter who he was, where he came from, what class he belonged to, if he came up with a better idea about anything,

there was no limit to how far he could go. I grew up a generation too late I guess because now the way the system works, the loner, the dreamer, the crackpot who comes up with some crazy idea that everybody laughs at that later turns out to revolutionize the world, he's squashed from above before he even gets his head out of the water because the bureaucrats, they'd rather kill a new idea than let it rock the boat. If Benjamin Franklin were alive today, he'd be thrown in jail for sailing a kite without a license...if big business closes the door on the little guy with the new idea, we're not only closing the door on progress but we're sabotaging everything we fought for, everything the country stands for."

Nothing can stymie Tucker's idealism and his faith in the system he has been so proud of his entire life. At the end of his court hearing, he literally has nothing left but his freedom. But his freedom is all he needs: on his way home he begins to outline a new idea to improve refrigeration. To Tucker, it doesn't matter what he lost while playing the game: as he says to Karatz, "it's the idea that counts, and the dream."