

Failure Case for ENTR200 Class Discussion

Based on http://en.wikipedia.org/wiki/Preston_Tucker accessed 12/13/07

Tucker Preston Thomas Tucker ([September 21, 1903](#) – [December 26, 1956](#)) was an [American automobile](#) designer and entrepreneur.

He is most remembered for his [1948 Tucker Torpedo](#), an innovative automobile which was unsuccessful, but which introduced many features that have since become widely used in modern cars. His legacy was documented in the [1988](#) movie, *[Tucker: The Man and His Dream](#)*. Starring [Jeff Bridges](#), the film was produced by [George Lucas](#) and directed by [Francis Ford Coppola](#).

Early life and career

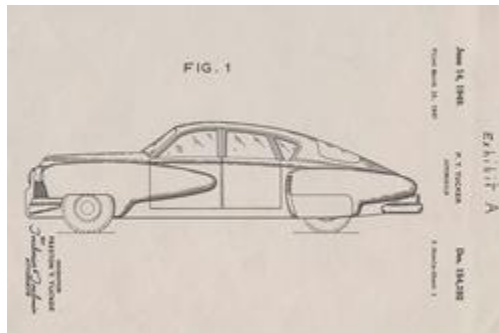
Tucker was born in [Capac, Michigan](#), and is remembered for his charming personality. He repaired an old car and sold it at the age of 16, combining his charm and his love for automobiles. He later joined the [Lincoln Park](#) police department to get access to the high-performance automobiles they used^{[\[citation needed\]](#)}. His mother convinced him to seek employment on the [Ford](#) assembly line in [Dearborn](#), but Tucker quickly returned to his more exciting job as a police officer. He was demoted for installing a heater in the dashboard of his car, and quit for good. Tucker's next career was as a car salesman. He was successful in selling cars at a Michigan dealership and soon became the manager of a luxury car dealership in [Memphis, Tennessee](#).

Entrepreneur

With this new financial success, Tucker began an annual journey to the [Indianapolis 500](#). His enthusiasm for automobiles again getting the better of him, Tucker convinced [Harry Miller](#), maker of more Indy 500-winning engines than any other in those years, to join him in building race cars, and Miller and Tucker, Inc was formed in 1935. The company's first job was building 10 souped-up Ford V-8 racers for Henry Ford. The time to develop and test the cars was insufficient, however, and the steering boxes on all entrants overheated and locked up, causing them to drop out of the race. The design was later perfected by privateers, with examples running at Indy through 1948. Miller and Tucker, Inc moved to Indianapolis and continued race car development and construction until Miller's death in 1943.

Tucker moved back to Michigan intending to start his own auto company. He soon began designing a narrow-wheelbase [armored combat car](#) for the U.S. government. The car could reach over 115 mph (185 km/h), far in excess of the design specifications. It was rejected; however, the highly-mobile, power-operated [gun turret](#) the combat car featured earned the interest of the U.S. Navy. The *Tucker Turret* was soon in production (initially at Tucker's Ypsilanti, MI shop); it was used in [PT boats](#), [landing craft](#), and [B-17](#) and [B-29](#) bombers. During [World War II](#), Tucker became associated with [Andrew Jackson Higgins](#), builder of Liberty ships, PT boats and landing craft. Higgins acquired Tucker Aviation Corporation (formed in 1940) in March of 1942, and Tucker served as a vice-president of Higgins Industries, specifically in charge of the Higgins-Tucker Aviation division. This entity was to produce gun turrets, armament and engines for Higgin's torpedo boats. Tucker severed his association with Higgins in 1943. (See: Andrew Jackson Higgins and The Boats That Won World War II, Strahan, LSU Press, 1994)

The 1948 Tucker Sedan



A [Tucker '48 Sedan patent](#) illustration.
Main article: [1948 Tucker Sedan](#)

[Studebaker](#) was the first automobile company with an all-new post-war model. But Tucker, with his newly founded Tucker Corporation, took a different tack, designing a [safety car](#) with

innovative features (some taken from aircraft) and futuristic, aerodynamic styling. His specifications called for a [rear engine](#), [disc brakes](#), [fuel injection](#), the location of all instruments within the diameter of the steering wheel, and a padded dashboard.

However, what looked visionary on paper was less successful in practice. Two examples: the mechanical fuel injection on the helicopter engines that Tucker used required frequent maintenance by skilled mechanics, and the disc brakes were hard to engage due to high pedal pressure.

Famed stylist [Alex Tremulis](#), previously of [Auburn/Cord/Duesenberg](#), was hired on [December 24, 1946](#) and given just six days to finalize the design. On [December 31, 1946](#), Tucker approved the design, which would come to be popularly known as the "Tucker Torpedo". He had also hired another firm to create an alternate body, but only the horizontal taillight bar from that model appeared on the final car.



Demise of Tucker Corporation

Preston Tucker waves to the crowd after speaking at a press conference.

One of Tucker's most innovative business ideas caused trouble for the company, however. His Accessories Program raised funds by selling accessories before the car was even in production. The son of the patent attorney to the [Wright Brothers](#), [Harry Aubrey Toulmin, Jr.](#), and the then-chairman of the board of the Tucker Corporation, blew the whistle in a September 26, 1947 [letter](#) to the [U.S. Securities and Exchange Commission](#). In the letter, Toulmin Jr. indicated that he quit "because of the manner in which Preston Tucker is using the funds obtained from the public through sale of stock." He went on to say that President Tucker had ignored persistent requests that the \$15 million "be spent and administered under... controls normal to legitimate business." Described as "a tall, dark, delightful, but inexperienced boy," by Toulmin Jr. to news personnel, Toulmin Jr. added that [\[1\]](#) the Tucker 48 machine does not actually run, it just goes "goose-geese" and "I don't know if it can back up."

In reply, Tucker stated that he had asked Toulmin to resign "to make way for a prominent man now active in the automobile industry." The "prominent man" turned out to be Preston Tucker himself.

Tucker's innovative business idea was investigated by the U.S. Securities and Exchange Commission and the liberal Democratic [United States Attorney Otto Kerner](#), and led to an [indictment](#) of Tucker and six other Tucker Corporation executives for fraud on [June 10, 1949](#).

The trial began on [October 4, 1949](#); coincidentally, Tucker Corporation's factory was shuttered by the government on the very same day. All told 37 Tucker '48s had been built; 13 were later finished from parts stores for a total production of 50 cars (not including the prototype). At trial the government contended that Tucker never intended to produce a car.

A former Tucker employee, engineer Frank Millender Kincaid, agreed with this allegation. He later said that the company never bought production machinery, leading to his suspicion that Tucker never intended to build the car, or at least was so over his head in the project that Tucker could not handle the massive undertaking and simply gave up. This, despite the fact that Tucker had the largest factory building under one roof (the former Chicago Dodge plant that had been used for manufacture of aircraft engines during the war and leased to Tucker by the US government). The suspicion that the Tucker enterprise was a sham and headed for inevitable disaster led Mr. Kincaid, by his own statement, to quit the company. Tucker had 50 cars that he called "prototypes", each one hand built. Unlike production vehicles, these cars featured numerous running engineering changes, resulting in many detail differences.

After the Christmas recess, the trial turned in Tucker's favor. It went to the jury on [January 22, 1950](#), and Tucker and the other executives were acquitted on all charges just seventeen hours later. However, Tucker Corporation, now without a factory, was no more.

Tucker's defense attorney [William T. Kirby](#) later became Chairman of the Board of the [John D. and Catherine T. MacArthur Foundation](#).

The location of the former Tucker Corporation at 7401 S Cicero Ave, Chicago, IL 60629-5818, is now the corporate headquarters of [Tootsie Roll](#) Industries and the Ford City shopping mall (the name owing to ownership of the building for a time by Ford Motor Company). The building is so large that it was split in two, and even with a large open area between the two resulting buildings, each structure is still substantial.

Today, remaining original stock certificates for Tucker Corporation common stock, circa 1947, are valuable to collectors, and are worth more than when originally issued at their then share prices. (Source: Catalogued with an estimated value of between \$ 2000 -\$ 3000 by W. M. Smythe & Co. in [New York City](#) in [2003](#).)

Later life

Preston Tucker's reputation rebounded after the acquittal. Investors from Brazil even approached him about building a [sports car](#), the "[Carioca](#)". But he died from cancer before the project saw fruition. [Otto Kerner](#), the [US Attorney](#) who had aggressively investigated Tucker for fraud, ironically became the first [Federal appellate judge](#) in history to be jailed—for stock fraud.

External links

- [Tucker History and Photos](#) - The Man and his Dream.