CARS

Directed by John Lassiter
Produced by Darla K. Anderson
Distributed by Walt Disney Pictures
Released in 2006

In *Cars* we consider the odyssey of Lightning McQueen, an anthropomorphosized race car who, waylaid in the forgotten town of Radiator Springs ("cutest town in Carburetor County") after making a wrong turn, confronts the vacuity of his self-indulgent, Piston Cup-driven life. The climax finds Lightning deciding, on the last lap of the championship, to forego victory in order to render aid (and give respect) to a former champion competing in his last race.

But there are other signposts that reveal to the audience our hero's burgeoning maturity. Most involve the aforementioned Radiator Springs. And a few concern what we will call economic altruism.

In 1947, with Europe ravaged by the destruction of WWII, the Soviet Union loomed menacingly in the east, and the United States feared that the broken continent would succumb, by force or seduction, to Communism.

To avert this potentiality, the Marshall Plan was enacted. It gave hundreds of millions of dollars to European countries for redevelopment and infrastructure investment. This stimulus provided jobs and a foundation for the robust European growth of the 1950s and -'60s. Its peoples no longer destitute and disillusioned, Communism was kept in check. But the United States stimulated its own economy. For by giving Europe money, it gave Europe the ability to buy American products.

European countries in the 1950s complained about a 'dollar shortage.' But by the 1960s growth in nations like West Germany was so unprecedented that America, which had half the gold of the non-Communist world, was trying to find a way around the foreign-exchange protocols mandated by the 1944 Bretton Woods agreement. Europe was demanding gold rather than dollars. If a change wasn't made, the United States could lose the bulk of its holdings.

In 1971 the United States abruptly abandoned the gold standard, and in 1973 West Germany closed down its foreign-exchange markets, refusing to convert dollars for marks any longer (the rapid creation of marks was spurring inflation). Thus the 'floating system' that allows currencies to find their true value in the open market was born.

Needless to say, the Marshall Plan was more successful than anyone dreamed. And though our example here concerns governments injecting themselves in, and sometimes directing, economies, the Marshall Plan is still a reminder that capitalism involves mutual benefit.

Party A sells to Party B because A would rather have X dollars than Y product. And Party B buys because he would rather have the product than the money—both parties gain. That does not mean neither side will regret the decision or would have preferred a better deal; if the deal wasn't good enough to start with than it would not have occurred.

Now, when one side benefits to the economic detriment of the other, this is charity. Usually, charitable giving simply means Party A giving money to Party B, while B gives nothing in return. (Party A may get a tax benefit, but for the sake of clarity, government inducement should not be a factor in the analysis.) However, if Party A buys something that he does not really value as a product or a service, we have economic altruism.

Here are some examples of economic altruism from movie-making history:

In 1971, producer Albert R. Broccoli hired for his latest James Bond film, *Diamonds Are Forever*, an acquaintance from his earliest days in Hollywood, Bruce Cabot, onetime star of *King Kong* (1933). Broccoli arranged for Cabot to be used in many scenes and ensured that his scenes not be shot in an economical fashion. He resolved that Cabot not be made aware of the producer's intentions, so that the old pro not be offended by this gesture. Because of Broccoli's efforts, Cabot worked twice as long on the picture as he would have otherwise, and he got paid a lot more.

It turned out to be Cabot's last picture.

In 1991 Leonard Nimoy rose to a new position of power, being named executive producer for *Star Trek VI: The Undiscovered Country*. He arranged for a 1-million-dollar salary for DeForest Kelley so that the longtime Dr. McCoy actor, now 70 years old, could enjoy a secure retirement.

This, also, was Kelley's last picture.

Now, these examples are not perfect because unless the money was coming directly from Broccoli and Nimoy, respectively, these guys were not sacrificing anything themselves. But such generosity can affect the budget of the picture and limit profits and their own salaries, especially on future projects.

On the other hand, George Lucas gave away points on *American Graffiti* (1973) and *Star Wars* (1977) after those films were smash-successes, rewarding members of the production teams who were not adequately compensated given the budget strictures. This money—easily over ten million dollars—came directly from his share of the gross; Lucas gained nothing for his beneficence.

Let's consider other examples of the intersection of charity and capitalism before we apply these ideas to *Cars*.

In 2001, after the terrorist attacks of September 11, President George W. Bush, fearing that a major recession was going to set in, encouraged the citizenry to make pricey purchases that they'd been putting off. The economy quickly rebounded in 2002.

In 2009, another time of economic dislocation, the Cash-for-Clunkers program was endorsed by President Barack Obama. The idea was to encourage the purchase of new cars by reimbursing car buyers when they dispensed with their old cars (the old cars' engines were destroyed so they could not be resold). The hope was that the new cars, with their advanced emissions technology, would limit air pollution and lessen the demand for oil; and that the burst of car purchases would stimulate the economy. Despite a short-term gain, the plan resulted in a major distortion in the marketplace, with domestic car manufacturers losing market share, used-car prices moving much higher vis-à-vis new car prices, and the new-car market softening for years to come.

Both presidents wanted the nation as a whole to benefit from their policies. Bush's offered a vague patriotic benefit, but no financial benefit to the purchasers (except for the hope that, in holding off a recession, the purchaser would recoup in the end); while Obama's plan provided an immediate financial incentive.

In the early 1900s, The Endicott-Johnson Shoe Company, based in Binghamton, New York, was a pioneer in "welfare capitalism." Wages were reasonable, thousands of houses were sold at cost, a golf course was open to all employees, and free medical care, free legal advice, and a profit-sharing system kept employees loyal, ensuring a quality product and forestalling unionization. In a better-known example, Henry Ford did something similar in his automobile plants, paying his workers $5 a day when similar work usually brought half as much in the open market. He wanted his workers to afford the very cars they were building. As a result, Ford Motor Company was not unionized until 1941.

During WWII employers were not allowed to raise wages. Pay was determined through complicated government formulas. To get around this, and to meet their demands for labor, some employers began offering health insurance. This concept proved popular, and now, more than half a century later, health insurance is of equal importance to salary. It's so important that the federal government has resolved to force employers of sufficient size to provide insurance to their employees. The resulting market distortion, complicated by Medicare, Medicaid, etc. has proven difficult to surmount, as shortages and spiraling costs become the norm.

It is the same today as it was in the 1940s: The market can only be cheated for so long.

Shortly after Lightning McQueen finds himself lost to the sticks, he is offered a chance to buy tires from Luigi, the dispirited Fiat longing for customers. (Interestingly the film never makes an attempt to link lack of customers and lack of money. Just as it is implied that these auto-denizens eat [but we never see it], we are also led to believe that they use money [McQueen's question to Sally comes to mind: "Were you rich?"].) McQueen dismisses all of Luigi's entreaties. Once the road is paved and the citizenry, now favorably disposed to their resident celebrity, generously encourage him to hurry out of town so he won't miss the race, McQueen, instead, takes time to superintend a restoration of the town's dormant neon. Plus, he buys tires from Luigi, gasoline from Fillmore, a paint job from Ramone, and curios from Lizzie. He doesn't need any of this, but wants to show his appreciation in a tangible way. Interestingly, the townsfolk don't seem to begrudge his efforts as condescending. Somehow they see this as a gesture of respect. In the same way, suppose a proud person is given a job by a kindly benefactor. It would be much easier for the recipient to accept such a kindness compared to the alternative scenario where the benefactor hands over $500 with no strings attached.

After the race, Lightning shares his good news with Sally. He is moving his headquarters to Radiator Springs. It is the answer to all her prayers for her beloved adopted hometown.

Soon it is bustling once again.

But we see that Lightning did not move his headquarters to Radiator Springs in order to be kind. It had become his home. So one could argue that he did it for himself. But as his decision is hardly selfish, but benefits others, it shares characteristics of altruism and capitalism.

Thus, we have, in declining order of mutual economic benefit: capitalism, stimulus (like the Marshall Plan and the Bush/Obama plans), economic altruism (goods and services consciously procured for reasons, or in a manner, not related to the value of the product or service), and altruism (pure charity).

The decision Lightning made to relocate to Radiator Springs is probably best classified as a stimulus; he wants to live there, so he benefits; but he also wants to spur growth in the town, and thus the town benefits. But it is difficult to find the proper categorization. Analysts talk about what makes the stock market do what it does—but their confident assertions are just guesses! *No one* can understand the stock market in the aggregate. It has a life all its own, and is the product of millions of decisions made over the course of mere hours. The very complexity of our system gives lie to the notion that central planning can do a better job than the free market—the free market where people can be as stingy or profligate as they want. Even if we got all the information we needed to make the right calculations, by the time we had the answers, all the data would be stale.

Things just change too fast for us to keep up.

And just as in a single capitalistic transaction both parties benefit, so do all parties in the capitalistic system. It can be harsh, and many do suffer, like the proud remnant in Radiator Springs. But freedom is unpredictable. Just as it was for Lightning McQueen, one wrong turn can turn many lives around.