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Investments in *The Magnificent Ambersons*: Business, Marriage, and Law-Making

Saul Levmore

**Abstract and Introduction**

Successful investments often reflect insight, implementation, and good fortune. In Booth Tarkington’s Pulitzer Prize-winning novel, *The Magnificent Ambersons*¹ (written in 1918, adapted by Orson Welles in a celebrated 1942 film, and recently rediscovered and scheduled for release with material that had been removed over Welles’ objection), horses give way to the automobile and the characters’ fortunes rise and fall as the world changes with the advent of this new technology. Meanwhile, the decision to marry, like one to enter other partnerships, also depends on insight, effort, and good fortune. I aim to show these parallel themes in the novel. The argument developed here is that lawmakers have the same difficulties, or ambitions, as do investors in business and marriage. They must try to predict the future. Judges and legislators, like investors, need insight and skill but there is also some luck involved in making good law. Lawmaking is itself an investment process. A good example is found lurking in the novel; the growth of the suburbs—and the decline of the Ambersons’ magnificence—depended in some part on the liability rules attached to automobiles.

**The Ambersons**

“Major Amberson had ‘made a fortune’ in 1873, when other people were losing fortunes, and the magnificence of the Ambersons began then. . . . Their splendour lasted throughout all the years that saw their Midland town spread and darken into a city . . .” (3).

With these opening lines, *The Magnificent Ambersons* begins to describe the Amberson family and Midland city, modeled on Booth Tarkington’s hometown of Indianapolis, which had its golden years of growth in the late 1800s and early 1900s. During this period, it became a manufacturing center, second only to Detroit in the production of automobiles. The novel is set in the years when “horseless carriages” were coming into fashion. Tarkington thus chooses the right era to have the Amberson fortune rise and then fall as the automobile industry flourishes and the city of Indianapolis develops distant suburbs as well as pollution.

The spoiled scion of the Amberson family is the Major’s grandson, George, who, even as a youngster, was self-important. He was a bully, terribly rude to a minister and other members of

¹ 2022 edition.
the community, and reckless. As an adult, he strongly objects to automobiles and to the rising middle class, all of whom he regards as “riffraff” (15). Isabel, George’s devoted mother, was pursued in her youth by Eugene Morgan, an inventor, but she rejected him after he committed a small faux pas while serenading her. She married her other suitor who proved to be less interesting and less successful than Eugene. Their son, George Amberson Winafer, is too privileged and arrogant for his own good, and the townspeople await his “come-upance” (15). Eugene leaves the scene but eventually returns to the city as a wealthy innovator in the automobile industry. Among other things, he is the first to see the value of pneumatic tires. Tarkington is careful to place actual developments in his plot; the air-filled rubber tire was invented in 1888.

Returning to the fictional plot, Eugene returns with a beautiful and clever daughter, Lucy, and George pursues her. George’s father dies in the midst of his economic downfall, described presently, and it appears that the two couples are bound to come together. But George opposes his mother’s relationship with Eugene, and Lucy is unwilling to commit to George, who does not yet understand that his indolence is unattractive, as is his lack of respect for the unfortunate and less educated people—which is to say everyone—around him. Lucy admires her father, and George could not be more different from Eugene. George is caught up in social conventions and has no interest in a career or in business. He lives off his grandfather’s investments in and development of properties close to the city center.

Eventually the Ambersons lose their fortune, including their magnificent home. The family’s investments in property are reduced to zero, largely because the automobile has brought about more distant suburbs and dramatically reduced the value of the homes they had developed near town. The family had diversified, but insufficiently so and without success. They found technological developments distasteful. Moreover, they could not see the value of high-rise buildings and they thought automobiles would be outlawed. They unsuccessfully invested in “rolling mills,” (60-61) something that the author must have known would enjoy many innovations in this period, so that an investment in this means of processing metals was subject to significant risk. Most significantly, they invested in a company that saw the possibility of electric headlights, but again their timing was bad. Other funds vanished through gifts and because the family’s most important property was never registered in a way that would have clarified and secured ownership rights.

Eventually, George is forced by circumstances to get a job. He had turned down a legal career earlier in life, regarding it as beneath him, and now he needs quick income. He takes a dangerous factory job and struggles to support himself and his Aunt Fanny. But it is not the dangerous job that gets him—indeed he is successful in that occupation—but rather an automobile that hits him when he carelessly walks into the street. The driver escapes liability. In the hospital, George finally has a meaningful encounter with Lucy, though it is hardly a happy ending. Eugene also comes to visit and feels reconnected with Isabel. When she was alive, she encouraged Eugene to be kind to
George, despite George interfering with Eugene’s relationship with his mother, and George’s ongoing hostility to Eugene.

**Investments in Business and in Marriage**

**Business Investments**

Investments are never sure things, and the novel brings this out in many ways. The Amberson family had invested in real estate for two generations, and George’s grandfather and then his father practically owned the city. They lived in the most magnificent mansion, built the leading hotel, and named the streets after themselves. Real property was, after all, regarded as an extremely safe investment, and then as now most people regarded home ownership as a path to economic security and respect. Young George is spoiled by all this investment income; he travels as he likes, enjoys his local status, dresses as expected for the grandest parties, and drives his horse-drawn buggy recklessly about town. He puts no effort into the family business. In one scene, reflecting the way that progress and respect for others were foreign to George, his horse-drawn buggy overturns because of his aggressive driving. He and his companion, Lucy, are rescued by Eugene who had been tinkering with his vehicle while George was ridiculing it, and literally “horsing around” it (the kind of wordplay that Tarkington regularly introduces in the novel).

George regards actual work, or entering a profession, as something for the “riffraff,” as he repeatedly refers to those whom he regards as quite beneath him. George is shallow. Not only does he pay no attention to investments or employment opportunities, but we also see no sense of humor or any evidence of his fine education. He never mentions national or foreign affairs, even though he has a relative who is a member of Congress. The family expects to have a member in such a position, but it is clear that George does not even want to take that kind of chance or opportunity. Finally, George ignores the competent and interesting people around him. His conversations are about trivial topics, especially social standing.

The loss of the Amberson fortune occurs in stages and it teaches us something about investments. The family does not properly register the property on which the mansion is built, and the asset that made them most secure and notable thus slips away. On a much larger scale, the development of the automobile and the expansion of roads change property values. As Eugene predicted, distant suburbs become popular because of the practicability of commuting to work and of living far from the pollution in the center city. The Ambersons had invested in the wrong locations and they did not move with the times. They certainly thought themselves above local politics, where they might have taken steps to control the distasteful and horrible factory emissions. Their rental income spirals downward, and they do nothing to rehabilitate their properties or to invest elsewhere.
The novel offers small and amusing details. The street names change so that the Amberson name is no longer recognized. Numbers come to identify the streets, replacing the names of families and historic references. Amberson Boulevard becomes Tenth Street, and the change contributes to George’s eventual come-upance (171). These changes are no doubt convenient for those who drive rather than walk around town and admire the Amberson mansion. The diminished George comes across a book that identifies the leading families in the city, and his family’s name is not even found in the table of contents (172). What was once the most recognized name in town is now not even found among the five hundred names in this book. George intuits that other families that have arrived on the scene have paid to have their names included. Social standing has plainly given way to the market economy.

A modern reader might blame the Ambersons for their failure to build a more diversified portfolio and to think more carefully about where and when to invest. But the real error, at least in the eyes of the author—writing well before modern finance theory took hold—was the family’s failure to see that the development of the automobile would change everything. George fights progress instead of adapting to it and enjoying what it offers. The upward mobility of Eugene, the inventor and investor in automobiles, plays this role in the novel. He is not good enough for the Ambersons—though George’s mother, Isabel, cannot put him out of her mind. Eugene is ambitious and forward looking, and the development of automobiles is exciting enough to cause him to abandon a legal career and take advantage of, and pleasure from, his imagination and talents. Eugene is financially rewarded for his foresight and his risk-taking, while George’s family sits still, complains about progress, and eventually loses everything. In contrast, Eugene is an interesting person who does think about the impact of innovation on people’s personal experiences and even contemplates the likely changes in warfare that self-propelled vehicles will bring. He is thoughtful and occasionally philosophical about the role that the automobile is bound to play in shaping society.

An interesting, well-informed, and clever piece of the plot is that George, perhaps envious of Eugene’s success, does invest in a firm that recognizes the need for electric headlights, which were in fact invented in 1898. But this investment comes to nothing either because competitors do a better job than does the company in which he invests or, more likely, because automobiles were not yet regularly operated in the dark. George’s timing is off; it took some time for electric headlights to become regular features on cars. The idea of enjoying bright light by pushing a high voltage through side-by-side electrodes was put into action a half-century before Thomas Edison. But such “arc lights” only appeared on Midwest city streets in the 1880s. However, cooler and longer-lasting electric streetlights, of the kind Edison enabled, were discussed but not seriously planned and introduced until 1920, just after the novel was written. The period that begins with the fictional Ambersons, and ends with the actual writing of the novel, was therefore one in which automobile headlights might have been on the author’s mind. And, of course, timing would be everything. Automobile headlights took some time to develop. A reader in the 2020’s will think
of George’s investment as less risky than Eugene’s; electric headlights now seem obvious and a modest improvement on what was once, in Eugene’s hands, a life-changing and risky start-up. But the novel was written in 1918, and investments in new features on automobiles were numerous and successful only with effort, skilled engineering, and some luck. The novel mentions that early versions of electric headlights required a car to move at high speed, and it took several years before the innovation proved profitable. George was unlucky and, unlike Eugene, incapable of the other two requirements for success. If only the Ambersons could have waited a decade or two to invest they might have regained their financial and social positions.

Today’s readers are well equipped to appreciate the ingenuity of connecting the rise of the automobile with the decline of some property values and the increase of others. The novel stresses the flight of people from the dark and grime of the city. Of course, if the Ambersons had been able to retain their properties, they would have eventually become wealthy again, as downtown properties eventually rose in value after a period of decline. Timing is everything in real estate as it is for many investments. But the Ambersons had neither foresight nor good fortune, and they did not have the capacity to maintain their holdings and wait for the resurgence of cities. They rejected the opportunity to build multi-story buildings, and they continued to think that the automobile was a fad that would eventually be regarded by law as a nuisance. Of course, automobiles, like real property, also became risky investments. The Interstate Highway System eventually increased the value of some properties and the decline of others. Then, the success of air travel altered things again. Eugene’s family was modeled after the Fords, who were on everyone’s mind when the novel was written inasmuch as Ford had recently opened a large Model T plant in Indianapolis. If Eugene’s family had remained in the auto industry, it would likely have needed a government bailout a century later, unless the family changed with the times.

Marriage

Marriage is also a difficult and risky investment decision, and its success similarly depends on insight, effort, and good fortune. Isabel would probably have been better off had she married Eugene, her first love. Lucy saw enough of George to know not to marry him. She comes to him late in the story only when he shows some ambition and energy (by taking a risky job). By then he also shows admirable sensitivity in caring for his Aunt Fanny who has no one else to turn to, and regarding whom he was ungenerous in his younger years. He had ridiculed her at every opportunity and only when both were left alone and destitute do they bond. At that point George had finally discovered the value of investing in familial relationships and in earning self-respect. Fanny never married, as she had also yearned for Eugene. The failure of any member of the family, except perhaps Isabel, to produce and then invest financially or emotionally in marriage and offspring spells the end of the Amberson family. Admittedly, the parallel drawn here between business investments and marriage would be yet stronger if the marriages in the novel ended in unhappiness and divorce, rather than in the deaths of George’s father and Lucy’s mother. On the other hand,
the “failure” of marriage through the death of a spouse highlights the role of chance rather than any lack of effort or what we think of as incompatibility.

The novel makes obvious that health and financial matters are risks inherent in marriage decisions, but there are other risks as well. It is difficult to predict a potential partner’s skill as a parent. There are also risks associated with changing preferences, some of which arise from unpredictable changes in society. This comes to mind when the reader considers George and Lucy’s relationship. George changes over time, though he was forced to do so. He was surely not the only gentleman who lived off family money and thought that work was beneath him.

Lucy was less stuck in time, or simply without family money when she was young. She does not seek a career, but she does want a partner who contributes to society. Fifty or sixty years later, people contemplating marriage faced a similar risk. The ideal partner in 1960 might turn out to be a poor investment by the time of the couple’s silver anniversary, when gender roles have changed. Marriage thus continues to be a risky investment because one must anticipate the future; social expectations and a partner’s (and one’s own) reaction to change is unknown. Moreover, while an investor in securities or real property can choose to have a diversified portfolio, someone contemplating marriage cannot do so. In both domains a choice not to invest is also risky because of the unknown future.

Marriage is an investment in many other ways. When Isabel marries one suitor, she rejects another. In her case, Eugene would probably have been a better investment. This draws attention to the more general idea that investing in one business or opportunity is costly in the sense that the investor forgoes another opportunity. An investor in marriage often invests in the lifespan and health of the other, but at the time of the investment decision this is usually a tit-for-tat set of risks. Still, if social conventions make it costly to leave a marriage when the partner requires care, marriage is a risky investment in the same way that buying stock is risky.

In any event, the two families are quite different. Lucy knows when not to invest (in George) and her father, Eugene, knows where and when to do so (in automobiles). In stark contrast, George’s father fails to diversify and is then unlucky when the automobile arrives and the action is in the suburbs and certainly not anywhere close to the noisy and polluted city. George refuses to put in the effort necessary to invest in his own future and enter a profession. He does not take school or friendships seriously. At one point he was offered the opportunity to apprentice at a law firm that served his family’s business, but he preferred to be one of the idle rich.

Serendipity

Luck, or good fortune, plays a significant role in the success of both business and marriage. The expression, “You make your own luck,” reminds us of the difference between pure luck, as in the
flip of a fair coin, and fortune, which usually refers to a favorable result from a probability distribution that was influenced by planning and hard work. Many forms of religious faith encourage the idea that results are influenced by a higher power, so that faith is often an alternative to luck or to fortune, as in the ancient but still popular phrase, “God helps those who help themselves.” An outdoor wedding might be a wonderful event because of beautiful weather. For some hosts this is good luck; for others it is brought about by prayer; and for others it is partly the result of effort and good fortune in choosing a favorable wedding date and location, or even in arranging for a tent that turns out to be unnecessary. Neither pure luck nor religious belief plays much of a role in The Magnificent Ambersons. Given the times in which the story takes place and the novel was written, it is significant that there is scant mention of anyone’s religious affiliation. No one refers to divine intervention. Indeed, it is difficult to imagine George tracing his privileges and then his calamities to either luck or divine intervention. He simply deserves his good place in life, and then adjusts when fortune turns against him.

When Aunt Fanny attends Sunday services, in a period when church attendance probably involved 80-90% of the population, George does not join her. Perhaps this is why Tarkington has one example of George’s youthful rudeness directed at a minister (15), an event that subsequently plays no role in the plot. Religion provides stability and predictability to many people, but the novel is about uncertainty.

Religion is not the only source of meaning that Tarkington avoids. There is no mention of literature or art, though we might have expected that these would be subjects used by the idle rich to keep occupied and to interact with one another. Church attendance in Indianapolis is now about one half of what it was in the era of the Ambersons, and attendance at art museums has also experienced significant increases and declines. These forms of expression, enrichment, and community involvement reflect unpredictability and change. Those who control churches and museums are often criticized for simply preserving the past and being slow to adapt. The novel emphasizes one family’s refusal to change with the times. Introducing other examples of inflexibility might have confused the story. There is, however, one very small hint about changes in the value of art; when financial disaster strikes, and the Amberson mansion is to be lost, all that can be sold for money is Isabel’s furniture (157).

The theme of serendipity and risk, whether in business or marriage, is found all through the novel. Eugene’s first marriage prospect, to Isabel, disappeared in an unpredictable instant when, somewhat inebriated while serenading Isabel, he slipped and accidentally “stepped through the bass viol and had to be assisted to a waiting carriage” (10). This was embarrassment enough in a community that was all about presentation to cause Isabel to reject him, and for him to feel deserving of rejection. Isabel instead marries Wilber Minafer, the man who would become George Amberson Minafer’s father and who “might not be an Apollo, as it were,” and while “no serenader at all,” was a “steady young business man, and a good church-goer” (10). Similarly, George’s
injury did not come from a predictable accident in the dangerous factory where he worked with nitroglycerin—itself known for its unstable and, therefore, unpredictable character, but also its critical role in the construction (and housing) industry, where the Amberson fortune was made. Instead, and ironically, he is hit by a car when he momentarily and negligently steps into the street, rather than looking for oncoming vehicles (177). Even his loss of the family mansion was unpredictable. No one would have expected that the leading family in town, with a law firm watching over it, would have failed to file the necessary paperwork to establish ownership rights.

Serendipity is noteworthy here because it adds to the argument that marriage and business investment have much in common. The novel develops the similarities in interesting ways. The role of luck does not extend to law in the same way. Legal rules apply to large groups, while luck is usually about something that happens to an individual. But successful lawmaking surely requires good foresight, much as investment in automobiles and headlights did so.

**Law’s Investment Challenge**

It would be too much to insist that George, and his increasingly outdated list of social norms along with his hostility to change, represents the legal system. But law also stands on ceremony, and it can be criticized for inflexibility. Worthy people often lose out because law’s rules and conventions are adhered to despite changing circumstances. At the other end of the spectrum, those who enforce and interpret law can exercise discretion where predictability and stability often seem warranted. Law, like George, can be unwilling or slow to adapt to the times, and when it changes, it often does so in unpredictable fits and starts. George makes rules for his mother to live by, and the most important of these—that she must not see Eugene—is senseless. The common people in town dislike George, in part because he values tradition, or precedent, when this offers them no obvious advantages, and he shows no respect for them as individuals. The rules are also of no great benefit to George himself. He drives recklessly and then crashes and requires rescue. He cannot get the necessary legal paperwork together, and thus loses a claim to the family home. His father gave the house to George’s sister but there is no record of this in his will, in part because George’s father is dazed and unable to recall where it is, and surely because law proved unbending. Ignorance of the law, or the will, is no excuse. But this is a list of unconvincing and accidental connections.

A deeper connection between law and *The Magnificent Ambersons* requires the reader to understand that lawmaking, like a decision to marry or to invest in a business enterprise, is successful when it is made with foresight. This often requires a good idea, sometimes developed in, and copied from, another jurisdiction. Even more important, good law requires successful implementation. In a business context, implementation is often the easiest of these because managers can be drawn from people who have proved themselves within or outside of an
organization. The same may be true when it comes to implementing law. In the case of marriage, prior experience is gleaned from more casual encounters and from social reputations. It is probably no accident that the novel tells us little about implementation. We do not know whether the Ambersons found good tenants, collected rents efficiently, or did many other things required for success in the development of real estate. We do know that they did not register a deed carefully, or record property ownership and transfer in some other way. Nor did they take care of the fountains they had constructed in the original grand neighborhoods Major Amberson had designed. These are shortcomings with respect to implementation. Shortfalls in this category can in some cases be smoothed over by insurance, though insurance is mostly a way to guard against bad luck. Once again, Tarkington built into the novel his knowledge of current affairs. Title insurance came into being in 1876 in Philadelphia, and it became popular a decade or two later in various states. An association of Indiana title insurance companies was formed in 1907. As noted, the novel was written in 1918 and is set in the last quarter of the 19th Century. In contrast, there is no insurance for implementation failures in marriage, and in the case of law, protection comes in the form of the ability to change laws, to dismiss those in charge of implementation, and to vote elected lawmakers out of office.

Lawmaking is in many ways an investment in the future. The lawmaker must anticipate or set in place rules that can be changed at low cost. If traffic increases, for example, speed limits can be reduced. This sort of change imposes few costs and regrets. The same roads serve various speed limits equally well, and consumers are unlikely to regret their purchasing decisions if speed limits change in the course of the life of the cars they have acquired. But a great deal of law cannot be altered without imposing substantial costs on those who relied on law, even though they often understand that law can change and that they can organize for and against changes in law. Lawmakers will allow, or forbid, a road or factory to be constructed, and then regret the decision when time passes and more is learned about where people settle and what causes environmental harm. Thus, if environmental laws become more restrictive, or corporate taxes increase, a factory owner might regret the earlier decision to invest and build. On the other hand, if investors can rely on laws, and any changes are prospective, there is a greater need for lawmakers to anticipate the future and get things right in the first place.

Moreover, there are many legal decisions that are virtually irreversible. Once a bridge is built there is no going back. Once immigrants are admitted or rejected, lives are changed. Unless laws can be easily reversed, a good lawmaker must gather information, consult experts, and try to make the right decisions in anticipation of the future. In short, lawmaking is an investment, much like the decision to buy real property, train for a profession, or enter a marriage. Members of the Amberson family made mistakes with respect to all of these things. They bought property but did not sell and buy in anticipation of the future. George should have trained to be a lawyer when offered the opportunity, and he paid for his error. Isabel cast away the love of her life—who would also have turned out to be an excellent financial partner and who plainly was an excellent father. These
unfortunate and ill-advised decisions could only be overcome with substantial repercussions, much as many laws can only be reversed at substantial cost.

The novel does not discuss divorce, but the emphasis here on the similarities among marriage, business investment, and law brings to mind the cost of exit in these three domains. Divorce, selling stock (after bad news comes to light), and dealing with legal change are, more often than not, quite costly. The higher these costs, the more reticent some people will be to invest at the outset. The more law is in the habit of changing, the more people will devote resources to lobbying and other means of directing legal change (or stagnation). In this regard, law is not much like marriage or business investment. When it is costly to exit marriage, some people will hesitate to enter into it, while others will regard a commitment to marry as more meaningful and flattering; law and business do not share these characteristics.

Lawmakers also fail or succeed because of things out of their control. From the perspective of voters, while it is possible to study the records of candidates, there is an element of luck in choosing the right leaders who will, for instance, deal wisely when war threatens. Lawmakers are in the business of dealing with the unknown. They must deal with pandemics with only a small amount of data at their disposal, and the results of border closings, shutdowns, and other decisions can also turn out to make them look like geniuses or failures. Voters reward or penalize politicians for how things turn out, and this is in part because it is difficult to know whether decisions turned out well, or poorly, because of decision-making skill or plain luck. An investor might make five good decisions in a row, but every student of statistics knows that this can be a matter of luck; if you toss thousands of coins in batches of five tosses, at least one set of five tosses is likely to turn out all heads.

But law and daily life are not quite like fair coins. For the most part, lawmakers make laws that affect many people, and this reduces the amount of luck; law is thus a naturally diversified enterprise. It is easier for an individual to attribute results to luck (or divine intervention) than it is for lawmakers to do so. When George steps into the street he really is increasing the odds of getting hit by a vehicle. Had he been hit while on the sidewalk, his injury would have been more like an unlucky flip of a coin. He is not injured by exploding nitroglycerin in the factory or while transporting large amounts of nitro. We do not know whether he was simply fortunate or more careful than most of those who worked with nitro in that period, and whom we are told had a life expectancy of just four years. On the other hand, when Eugene slips while serenading Isabel, we are encouraged by the text to think that his misstep was just bad luck, even though he had been drinking. An Amberson was also drinking at the time, and he simply retreated to the house (58). Eugene was the victim of bad luck at least on that one occasion. Similarly, laws turn out to be good or bad based on some mixture of insight, effort, and luck.
Eugene’s success is conventionally understood to reflect the rewards that come to someone who, unlike the Ambersons, can change with the times. He also puts in a great deal of effort; he does not simply invest in an automobile company but is himself an inventor. And yet the novel reminds us that luck plays a role. George’s investment in electric headlights serves this purpose brilliantly. He is finally willing to change with the times but, unlike Eugene, he is a passive investor rather than someone who puts in effort. More importantly, every reader can see—though perhaps only with some insight in 1918 when the novel first appeared—the role of luck. Headlights would turn out to be an excellent idea and surely a good investment, but George’s timing was a bit off. A good investment requires good timing, and many laws do so as well. Nearly everyone who seeks a romantic partner also knows the role of good (and often lucky) timing.

The interaction between law, as well as luck, and The Magnificent Ambersons comes to a head when George steps into the road and is hit by an automobile (177-178).

Fate had reserved for him the final insult of riding him down under the wheels of one of those juggernauts at which he had once shouted "Git a hoss!" Nevertheless, Fate's ironic choice for Georgie's undoing was not a big and swift and momentous car, such as Eugene manufactured; it was a specimen of the hustling little type that was flooding the country, the cheapest, commonest, hardiest little car ever made.

The accident took place upon a Sunday morning, on a downtown crossing, with the streets almost empty, and no reason in the world for such a thing to happen. He had gone out for his Sunday morning walk, and he was thinking of an automobile at the very moment when the little car struck him . . . still not being able to decide which of two ways to go, he tried to go both --and the little car ran him down. . .

He was conscious of gigantic violence; of roaring and jolting and concussion; of choking clouds of dust, shot with lightning, about his head; he heard snapping sounds as loud as shots from a small pistol, and was stabbed by excruciating pains in his legs. Then he became aware that the machine was being lifted off of him. People were gathering in a circle round him, gabbling. . .

"Nev' mind," a policeman said; and George could see above his eyes the skirts of the blue coat, covered with dust and sunshine. "Amb'lance be here in a minute. Nev' mind tryin' to move any. You want 'em to send for some special doctor?"

"No." George's lips formed the word.

"Or to take you to some private hospital?"

"Tell them to take me," he said faintly, "to the City Hospital."

"A' right."

A smallish young man in a duster fidgeted among the crowd, explaining and protesting, and a strident voiced girl, his companion, supported his argument, declaring to everyone her willingness to offer testimony in any court of law that every blessed word he said was the God's truth.
"It's the fella that hit you," the policeman said, looking down on George. "I guess he's right; you must of been thinkin' about somep'm' or other. It's wunnerful the damage them little machines can do--you'd never think it--but I guess they ain't much case ag'in this fella that was drivin' it."

"You bet your life they ain't no case on me!" the young man in the duster agreed, with great bitterness. He came and stood at George's feet, addressing him heatedly: "I'm sorry fer you all right, and I don't say I ain't. I hold nothin' against you, but it wasn't any more my fault than the statehouse! You run into me, much as I run into you, and if you get well you ain't goin' to get not one single cent out o' me! This lady here was settin' with me and we both yelled at you. Wasn't goin' a step over eight mile an hour! I'm perfectly willing to say I'm sorry for you though, and so's the lady with me. We're both willing to say that much, but that's all, understand!"

George . . . spoke this word clearly from a mouth filled with dust, and from lips smeared with blood. . .

"Riffraff!"

This is a critical point in the plot, or even its climax, for several reasons. There is the irony that George is hit by the very thing that he opposed but could not stop. A further irony is that the driver is “riffraff,” a point George insists upon when truly down on his heels. Note again that George does not curse his bad luck. The injury is associated with luck only in the sense that George’s failure to pay attention happened to come at a moment when a car was approaching. The accident puts him in the hospital where Lucy can finally see him without his previous pomposity and privilege. And there is also the surprise that he suffers broken legs not because of his dangerous job, as we might have expected, but because of an everyday car accident. More importantly, there are witnesses, as well as a police officer, who absolve the driver of wrongdoing and the threat of liability either because they thought the driver did nothing wrong, or because they focused on the fact that George, distracted and deciding which way to turn, stepped into the path of the approaching vehicle.

Even if the driver were to be deemed negligent, George would have been found contributorily negligent. At the time, this would have absolved even a negligent tortfeasor of any liability. (Indiana did not adopt a version of comparative negligence until 1983, and even from that point forward there is no recovery by a plaintiff who was more than 50% at fault.) In this penultimate chapter we see a great deal: George continues to belittle the average man. His injury has nothing to do with those who displaced him in the upper echelon of society. He knows that his place must be in the public hospital. And, finally, he is hit by someone who, unlike himself, has found a reliable and loyal companion.

The policeman observes that the damage was caused by the “little machines” rather than the driver. Every law student, and perhaps many readers, thinks of the choice in a legal system between a rule of negligence and one of strict liability. If automobiles had been found to be “abnormally
dangerous,” as are explosives, and as has been suggested for autonomous vehicles, then the driver would have been liable unless (as some economists favor) strict liability comes with an exception for contributory negligence on the plaintiff’s part. But the point here is not that with a strict liability rule George would or would not have collected damages, but rather that a strict liability rule would probably have changed the development of the auto industry and the growth of the distant suburbs. Negligence and strict liability rules do not change the driver’s incentive to drive carefully, for either rule discourages unsafe driving while neither, in principle, discourages safe driving. But a strict liability rule would raise the cost of owning a car—either because of expected liability payments when injuring pedestrians or cyclists, or because of a dramatic increase in the cost of liability insurance—so there would be fewer cars and less driving by those who possessed cars. In turn, living in the distant suburbs would have been more expensive and therefore less attractive, and land values would not have changed as much as they did in the early 20th Century and, before then, in the world of the Ambersons. The police officer is not misapplying law but rather stating the truth that Tarkington appears to have intuited. The decline of the Amberson fortune is traced to the rise of the distant suburbs and the decline of communities closer to downtown and its workplaces. This change in property values can be attributed not only to the invention and popularity of the automobile, but also to the legal system’s acceptance of cars as a simple change in technology, rather than as the introduction of something “abnormally” dangerous, like wild animals or nitroglycerin, which would likely have yielded a strict liability rule.

The claim here is not that lawmakers guessed right or wrong about the use of a negligence rule when it came to automobiles. It is that law had a significant effect on property values and, of course, on the profitability and size of the market for automobiles. At the very least, investors in automobiles, like Eugene, and in different neighborhoods, like those chosen by the Ambersons, succeeded and failed in part because of luck. One element of luck was, and remains, what choices are reflected in laws. Laws, like business investments and decisions about marriage, are profoundly affected by things out of the investors’ control. But the decline of the Ambersons in just two generations can be traced to all three elements identified here. After a good start, they ignored changes in technology and society and made bad choices; they then put no effort into their business or the opportunities that were handed to them; and they certainly had bad luck, even at the very end when tort law happened to be to George’s disadvantage. Most significantly, and at every stage, George contributed to his own troubles. This was so in business, in attracting a marriage partner, and even in law. He declined an invitation to prepare for a career in law when the time for such effort was available, failed to be careful about registering property, and even, perhaps, brought law’s contributory negligence rule into play to his disadvantage.

**Conclusion**

*The Magnificent Ambersons* has been understood as a novel, and then a carefully reworked film, about a family’s difficulty in adapting to change. But it is more than that. It reflects the idea that
business investments, marriage, and law have much in common. Each depends, as we all do, on good ideas, or intuitions, good implementation, or effort, and good luck.