

# Margin Call: A look at the parasitical one percent

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*Written and directed by J.C. Chandor*

The release of *Margin Call*—which fictionally (and rather scathingly) chronicles 24 hours in the life of a major Wall Street firm during the September 2008 financial crisis—in the midst of the Occupy Wall Street protests is a further indication of a change in global popular mood.

The film by J.C. Chandor of course took some time to prepare and create; it has now emerged in a situation where the hostility of millions for the bankers and the super-rich is an acknowledged fact of everyday life. It is to the credit of the filmmakers that they embarked on the project, with whatever trepidations and limitations, when they did.

*Margin Call* attempts to enter into the thinking, motivations and psychology of the Wall Street power brokers who helped crash the world economy in 2008.

The WSWS wrote about the film as part of the coverage of the Berlin film festival earlier this year. Its North American release and a rapidly moving political landscape give the work a refreshed significance.

*Margin Call* opens in September 2008 as an unnamed, 107-year-old investment firm is terminating 80 percent of its risk-management team. The professional firing squad contracted by the corporation is armed with glossy pamphlets entitled “Looking Forward” (with a peaceful photo of a sailboat on blue water on its front cover) intended to quash any objections on the parts of the victims. And if that fails to pacify, security guards stand by.

While the corporate heads decimate their workforce, they are blind to the fact that soon they will be responsible for unleashing a financial tsunami. What the company does internally will be replicated on a grand scale.

Senior risk analyst Eric Dale (Stanley Tucci), a 19-year veteran of the company, is being made redundant as he is on the verge of discovering the extent of the company’s exposure to the collapsing housing market. That getting rid

of Eric is appallingly shortsighted becomes clear when Peter Sullivan (Zachary Quinto), a younger analyst who survives the cuts, starts reviewing Eric’s final and uncompleted work.

*Margin Call* (a term the financial dictionary defines as “the demand for additional funds because of adverse price movement”) proceeds to take a detailed look at the motives and morality of the decision-makers, and how their shortfalls outweigh their better qualities—analogue to their company’s debt to asset ratio.

Peter now alerts his boss, Will Emerson (Paul Bettany), dissolutely celebrating his employment survival at a lower Manhattan bar. Will contacts his superior, Sam Rogers (Kevin Spacey), grieving over, not his terminated employees, but a sick pet. Sam then notifies his manager, Jared Cohen (Simon Baker), the corporate hatchet-man who, in turn, summons company chief John Tuld (Jeremy Irons). (The name Tuld suggests that of Merrill Lynch’s ex-CEO John Thain and the now-defunct Lehman Brother’s former CEO Dick Fuld.)

Arriving by helicopter, an imperious Tuld presides over an emergency middle-of-the night meeting with upper management. A decision is made to clear the books of the “greatest pile of odiferous excrement in the history of capitalism.” Tuld selects Sarah Robertson (Demi Moore), the human icicle who heads the risk department and who had vaguely warned of impending doom, to be the sacrificial lamb (“Sarah, I need a head to feed to the traders on the floor”).

Despite a momentary crisis of conscience, Sam agrees to enlist his team of brokers in dumping the “excrement,” i.e., the now worthless mortgage-backed securities (MBS), onto their unwitting clientele. The bigger the fleecing, the bigger the million-dollar-plus bonuses. Staggering sums are earned before the closing bell.

*Margin Call* is a smart film endowed with a talented cast able to smooth out some of the script’s rougher or more unlikely edges.

The filmmakers' primary preoccupation is to convincingly establish the parasitical, irrational nature of Wall Street's financial operations. Chandor makes his case with pointed references: Tucci's character Eric Dale laments having once been an engineer who built a bridge over the Ohio River that saved thousands of people great amounts of time and money.

When Sam Rogers tells Tuld towards the end of the movie that he wants out of the venture, the latter responds by saying that Sam's work is preferable to digging ditches. To which Sam replies that at least in that case there would be holes in the ground to show for the effort. After more than three decades with the brokerage firm, Sam has nothing but a pile of money—and needs more—and the dubious honor of having assisted in the ruination of untold lives and businesses.

Director Chandor dramatizes the corrupting influence of heaps of cash. There is nothing that can't be done, whether it's winning a heart or threatening a foe. The Moore and Tucci characters know that if they don't agree to Tuld's terms, their pensions, stock options and perhaps more will be at risk. So, opposing an executive's decision is well and good, but earning \$176,000 an hour for simply folding one's arms and keeping one's mouth shut as all hell breaks loose is irresistible. After all, middle-manager Will uses a hefty chunk of his \$2.5 million a year wage for hookers, while ranting against the consumerism of hypocritical "regular people." Without finessing, Chandor makes his point about the non-productive "1 percent."

This is not an unimportant insight and dovetails with what has emerged as the popular consensus. Thieves, criminals and semi-criminals run the financial machinery, draining and destroying society's resources. The "we-have-no-choice" decision of Tuld et al to launch a meltdown is additional proof of the anarchy of capitalism. In one scene, Irons' Tuld—to justify the collapse his firm's activity will bring about—speechifies that since the 17th century there have been financial crises at regular intervals. But making the case that "we can't help ourselves—there will always be the same percentage of winners and losers," is harder and harder as social polarization intensifies.

Further, the film takes issue with Wall Street's recruitment of talent that could otherwise better serve society. Besides Eric the engineer, the young analyst Peter is an MIT-trained physicist ("So you're a rocket scientist"), who admits he came onboard for the money. On the other hand, big shots like Sam and Tuld can't read a graph. Initiating a discussion on the crisis with his underlings, Tuld quips, "Speak as you might to a child, or a golden retriever. It wasn't brains that got me here, you know that." It's not that people like Sam and Tuld are stupid, but their brains are squeezed dry by a life of narrow self-interest: while Rome burns, the former is

preoccupied with his dying dog and the latter his crossword puzzles.

Chandor's father spent nearly 40 years working for Merrill Lynch and the filmmaker presumably grew up exposed to the Wall Street mentality. When the camera slowly pans across empty offices with desks whose contents are boxed up, it reveals a graveyard of exploited and discarded resources—the 80 percent of Dale's department. Those are the inexorable odds of the capitalist casino.

*Margin Call* has a dark, grainy, low-budget look. The sharp views of the New York City skyline and street life contrast with the washed-out atmosphere of the company's boardroom. The general population is far away in every sense. A cleaning woman stuck between Cohen and Robertson in an elevator, as they prepare to tear each other apart, stares straight ahead. She may well be another victim, but she has no say in the process.

Some elements of the film ring entirely true (the firing process, the financial mechanics, the use of bribes and threats, the internecine warfare, etc.). When the filmmakers, necessarily, become more ambitious and attempt to imagine what such people might have *thought and felt* at a given moment in September 2008, the work takes on a slightly more speculative character. *Margin Call* attempts to cram a good deal of soul-searching and rationalizing into the course of one long night in particular. There is perhaps an inevitable downside to such an undertaking. At times, the central characters are given speeches, which unfold as set pieces, that are not entirely "natural" and would be more appropriate on stage. Consequently, there are minor aesthetic problems with the film's tempo and rhythm.

While the majority of critics have lauded the film for its "balanced portraits of fallible people," they missed what *Margin Call* inchoately understood. These are indeed human beings, not aliens. But they are *social* beings whose actions are not rooted in individual psyches, but in objective, social processes. It would be utopian to think that the solution lies in replacing the Tulds with higher moral types. The financial aristocracy eats the soul because it is the product of a system that has reached the end of the historical road.

In any event, *Margin Call* is only one of the first. Even the stranglehold of the conglomerates will not prevent film artists, once they get a taste for it, from exploring the harsh realities of capitalism.



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