

Capitalism and Morality

WHEN IT COMES TO OTHER PEOPLE'S MONEY, IT'S ALL ABOUT THE GAME, AND HOW YOU PLAY IT

Tim Haught

Tim is an MBA student at WJU

Do we play for love of money or for love of the game? When this question is asked, it's seldom met with a straight answer. Despite his short stature, Danny DeVito portrays a big time player in the investment game, Lawrence Garfield, in the film adaptation of Jerry Sterner's *Other People's Money*. Garfield is not one to dance around an issue. This straight shooter makes it clear that he's in it for both.

Garfield immediately lays his priorities out on the table right when he expresses his affinity for the only three things that offer unconditional acceptance: dogs, doughnuts, and money. We follow Garfield as he goes through his typical morning routine. He awakes in his luxurious bedroom next to Carmen, his personal computer, financial advisor, and loving confidant. After a quick stock check, he takes care of basic hygiene and heads off to the office. He begrudgingly makes his way through hallways passing a throng of greeters en route to his office. When he arrives, he takes pleasure in a doughnut or two and gets down to business. He makes the order to set up a meeting with New England Wire and Cable. For Garfield, it's just another day in the life of a corporate raider, a standard play in the game.

In contrast, this day is anything but typical for Andrew "Jorgy" Jorgenson. His New England Wire and Cable Company has served his family and small Rhode Island town greatly for a number of years. Overall, his company is doing well, but admittedly, the factory's best days are behind them. Jorgy remains optimistic that there are still good days yet to come. It is this confident, old school sensibility that leaves Jorgy relatively unfazed when he learns that Garfield plans his visit to New England Wire and Cable. Garfield's reputation as "Larry the Liquidator" proceeds him.

Upon his visit to New England Wire and Cable, Garfield is all business. Carmen sought out Jorgy's company because of its strong assets, debt-free balance sheet, and lucrative stock. Garfield displays the company's value and assets on a chalkboard. He then suggests Jorgy closes the white elephant New England Wire and Cable factory, redistributing its assets in a manner beneficial to the investors. The battle lines are now clearly drawn.

It is hard not to sympathize with Jorgy. Even if he was running his company on history and sentiment alone, the way Garfield appears and attempts to take away his life's work in the blink of an eye is almost unfathomable. He represents a different time. Gone with the railroads and riverboats, are the values and beliefs of the generation who built our nation. Jorgy's pride and faith in his loyal stockholders prevent him from preparing fully for what was about to overtake him.

Company president Bill Coles is noticeably more concerned. The fact that Garfield already owns a large percentage of the company's stock combined with his history of hostile takeovers is alarming to

Coles. After years of service to New York Wire and Cable, Coles is very adamant that one day he will indeed get what is coming to him. Jorgy seems to brush off these concerns nonchalantly, with a belief that all will work out. This attitude proves very unsatisfactory to Coles.

Jorgy's wife, Bea, and Coles reach out to Bea's daughter and Jorgy's stepdaughter Kate for assistance. Kate has established herself as a lawyer in the big city since leaving the small Rhode Island town. Jorgy is less than enthused with her involvement, and their strained relations are apparent in their first conversation.

Bea, Coles, and Kate take a defensive mindset upon discussion of Garfield's plans to acquire a controlling interest in the company and eventually shut down the factory. Kate establishes credibility immediately with her knowledge of the law and possible solutions, as Jorgy listens on, stubbornly. She first suggests that New England Wire and Cable offer Garfield greenmail. Jorgy is uninteresting however, in paying Garfield a great deal of money to drive him away.

Kate then suggests an investigation of Garfield's past dealings, hoping to find a loophole or technicality. Jorgy refuses to fund it. She suggests that the company claim residence in Delaware, due to the state's more advantageous laws. Jorgy insists that his company was founded in Rhode Island and shall stay in Rhode Island. Kate grows increasingly frustrated as each suggestion is turned down, and begins to wonder why she even came.

Penelope Ann Miller gives a rather mundane performance as Kate, as the confrontation and anger between Jorgy and Kate builds. She suggests a white knight, who will purchase the stock but allow Jorgy to continue to run the company how he pleases. Jorgy nixes the idea, unable to think of any one who fits that profile.

Kate's final proposals are meant to make the stock less desirable to Garfield, by lowering its value. Jorgy disregards these options, as they would not only affect Garfield's interest, but the company's other stockholders as well. Jorgy's patience with Kate is growing increasingly thin. The feeling is mutual.

The story becomes less focused on the conflict between Jorgy and Garfield, and more concerned with the relationship between Kate and Garfield, as Kate begins to take the case into her own hands. Garfield's infatuation with Kate begins at a meeting in his office where he claims to agree to hold on purchasing the stock for two weeks. Upon Kate's departure, Garfield gives the go ahead to purchase the stock under the name OPM (Other People's Money). Kate is not fooled.

Throughout their negotiations, Lawrence and Kate develop what can only be described as an awkward love affair. In the film, Penelope Ann Miller is less than convincing in her role as the sultry sexpot, despite her attractive looks. While seducing Garfield, she exhibits all the personality of a Styrofoam cup.

DeVito, on the other hand, gives an inspired performance that really helps flesh out Garfield's character. We actually become sympathetic to him in his quest for Kate, and believe that she just may fall for him. The audience is then able to see past the money-monger, and into the conflicted soul of a lonely man. On occasion, Garfield displays a surprising charm and grace in his courtship of Kate. Elsewhere, Garfield appears as somewhat of a crude womanizer as he speaks bluntly to Kate of his desire to have sex with her.

Strangely, Kate seems to forget she is a rational and intelligent woman from here on out. Her heavy reliance on attraction, seduction, and sexual tension serves as the only means in getting the upper hand in negotiations with Garfield. In her role as a temptress, Kate seems to be keeping New England Wire and

Cable on temporary life support. Garfield never appears to lose the upper hand, however. This is never more apparent than when Kate, in her role as temptress, offers greenmail to Garfield. Garfield maintains control, disregarding greenmail as an immoral practice that not only neglects his responsibility to his stockholders, but also serves his own personal interest. Upon blowing off her offer, he then asks her for another date.

During one conversation, Garfield attempts to convince Kate of how perfect they are for one another, based on their love of “the game.” Knowing this, it is hard to determine at any point how genuine their dealings with one another are. Even if Garfield’s love for Kate is genuine, he always appears to be able to separate rational thought from emotion. If at any point he is able to come to the realization that they can never be together as he wishes, he now has another manipulative weapon in his arsenal. Perhaps he deploys this upon asking for her hand in marriage, a strategic “all-in” move that obviously affects Kate greatly and appears to call her bluff. It is undeterminable if Garfield’s intentions are only to gain the upper hand in their legal proceedings.

When it comes to “the game”, Kate is never truly able to hang with Garfield. Both Coles and Bea go behind Kate’s back and meet with Garfield. Coles attempts to appeal to Garfield’s self-professed love of money. Garfield rejects Coles, showing a set of morals and values that lay beneath his bad guy persona. Bea attempts to appeal to any sense of decency. Garfield maintains that he is doing what is right, going as far as to compare himself to Robin Hood, based on his rob from the rich, give to the middle class actions. Neither Bea nor Coles present any scenario more advantageous to Garfield than what he already views as a sure thing and in both cases, Garfield makes it clear that his primary value is his responsibility to his stockholders.

Despite the best efforts of Kate, Bea, and Coles, there are really only two things that can stand between Garfield and the liquidation of New England Wire and Cable: Jorgy and the vote of the stockholders. This all comes to a head at the annual stockholders’ meeting. In the film, Gregory Peck delivers the type of performance you would expect from Gregory Peck. As Jorgy, Peck maximizes the importance of family, friendship, history, tradition, and community responsibility. His speech is so inspired that if for only a moment, a happy ending seems inevitable.

As Garfield is introduced, jeers and boos fly from the back of the crowd. Despised at first, Garfield’s rational arguments systematically destroy Jorgy’s sentimental plea in the eye of the stockholders. Garfield is critical of Jorgy on matters of corporate responsibility regarding the mismanagement of investor’s money. He puts the nail in the coffin by pointing out advances in fiber optic technology that are likely to render New England Wire and Cable obsolete. He then suggests rather than prolonging the funeral, investors collect the insurance and invest elsewhere. When the vote is cast, Garfield wins by a landslide. Jorgy is then forced to come to terms with the fact that time has passed him by.

The story is essentially that of big city vs. small town or the big money vs. the little man. Jorgy represents a hard working product of a bygone era. A proud man, who having provided services that helped lay the infrastructure for our nation, is now being told that like the products he produced, he is nearing obsolescence. Jorgy possessed an admirable loyalty to his employees, their families, and his hometown, which is sorely missing from the big-box business environment of today. Garfield may be overly harsh in his criticism of Jorgy’s loyalty to his stockholders, as well. The stock is lucrative when Garfield takes note, and Jorgy genuinely believes that his company will be relevant again, when it comes time to repair and maintain all they had once built.

Garfield has principles and integrity, and it is hard to fault him for fighting so vehemently for what he believes in, yet it is unproven that he takes the whole picture into consideration. Instead, Garfield bases all of his actions on his personal view of justice. Garfield rationalizes the benefit of his actions based on their

impact on the stockholders, and reasonably so as that is the goal of his profession. As the head of Garfield Investments, his job is not to look at the whole picture, but rather how it affects his clients. Garfield implies that closing New England Wire and Cable is a small sacrifice based on stockholder interest, and it is true that the future of any company lies within the hands of its investors. However, this justification fails to take any consideration for the workers, their families, or the small Rhode Island town. The lives of these people and the economic viability of their community are far from what can be described as a “small sacrifice.”

Garfield’s oversimplification of the issue prevents him from dealing with the conflict Jorgy experiences. While Garfield attempts to keep the investors happy, Jorgy is out on the floor, dealing with more than devotion to stockholders alone. Right or wrong, Garfield has little concern for the plight of the workers and the town, despite the fact that a whole area’s economic fate is essentially resting in his hands. His methods of doing business have a profound effect on the lives of many, and turn men who work hard to put food on their table toward the unemployment line.

This scenario is much too complicated to be dealt with in a cut and dry manner. The directors of the film version seem to take this into consideration upon the inclusion of a critically panned final scene where Garfield receives a call from Kate, which leads to a resolution with Jorgenson’s New England Wire and Cable to produce wires for airbags. The ending appears suddenly, ties up loose strings too neatly, and appears largely out of context. Despite the fact that Garfield is the first to mention how technology will affect New England Wire and Cable, he never once suggests any reinvestment into New England Wire and Cable, or directional change for the company.

Tacked on at as a feel good ending the concept seems out of place, however when integrated into the storyline it makes a great deal of sense. In the story, Garfield views the factory as the problem, and liquidation as the solution. He even goes as far as referencing Darwin and the principle of survival of the fittest during his speech as a reason the factory should be closed. However, when Kate suggests to him in an earlier scene that one day the laws will change and put him out of business, Garfield shrugs off the statement, replying smugly that he would adapt.

So it is established that Garfield is an intelligent man, primarily concerned with his responsibility towards his stockholders. Straight from his mouth we are told of how technological changes will make New England Wire and Cable obsolete, as well as comments on survival of the fittest and adaptation. Yet intelligent, industrious men like Garfield and Jorgy cannot come to the only solution beneficial to both until long after the vote has been cast. Investment is not simply about returns and dividends for few. It is it about funding a better future for many. When Garfield’s play optimizes returns for his investors without negatively impacting whole communities, only then will he truly master the game he loves so dearly.