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The Economy of Idealism

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THE ECONOMY OF IDEALISM

John Post Lee, John Post Lee Gallery

It comes as no surprise that so much attention is paid to the role of hype, manipulation, and inflated prices in the art world. I believe that a good measure of the responsibility for this falls on the auction houses, who through the 80s demonstrated that it is miraculously possible to be profoundly and disturbingly mercenary and unethical while maintaining a pervasively accepted public posture for providing a free market system of buying and selling art. The subtext was that the dealer's prices were arbitrary, that dealers were grifters, and that the auction houses provided a simple way to buy and sell art without running the risk of being cheated, regardless of one's lack of connoisseurship. What a joke!

In many cases, prices for art and reputations of artists can undergo a profound correction process. The reputation of overlooked artists may be enhanced by historical revision while other artists who enjoy great popularity may be taken down a notch or two. This correction process can occur rather quickly – in months and years rather than over decades. Furthermore only a tiny fraction of the work by emerging artists has a resale market. It is tempting to look at a few exceptions that get lot of attention in the media and conclude that prices are out of control, but for the most part increases in the value of art are very modest, keeping pace with inflation.

Once an artist becomes "blue chip" the entire structure changes. The art objects are traded by dealers and collectors just like any other commodity, except that each art object is unique, making each transaction unique, unlike negotiations for a barrel of oil or a pork belly. This allows for a tremendously inefficient market, in which there can be a dramatic range in the cost of similar objects. For example, I have purchased art in New York by European artists who are not well known in North America and sold it for a profit in Europe, where the work is eagerly sought. Trading art, like trading stocks, takes experience, knowledge and timing. As a private dealer I did it to make money, but I find it to be the least interesting part of the art business. It's much more rewarding to show young artists and promote art on the basis of one's personal belief and vision.

Before I opened my gallery last year I was a private dealer for three years. And before that I was the director of Tibor de Nagy Gallery, an adventurous, pioneering gallery started in 1950. I want to model my gallery after

Tibor de Nagy, but to incorporate changes that I hope will be successful and will make running a gallery more enjoyable. One conventional structure that I find problematic is the gallery "stable". Not only is the term degrading to the artist but it can result in the dealer becoming overprotective of the artist, the work and the revenue it generates. Artists should experience the benefits of free agency, asserting greater control over their own careers. It is not uncommon to see dealers become captive to the needs and expectations of their "stable". The resulting predictability of the dealer's program makes some galleries and artists appear to be on automatic pilot.

For big galleries that are relatively immune to having their artists wooed away by other galleries, the system of representing artists works pretty well. It is more difficult for a younger, smaller gallery showing emerging artists. Many of the most innovative dealers of the last half-century never enjoyed great financial success, because rich galleries with well-known artists would steal artists from smaller, more adventurous galleries. Thus showing young artists is doubly risky because the small gallery may not benefit later on, once the artist is selling well. For a beginning gallery, there is no simple answer to this problem except to purchase work from your own exhibitions; in other words, to put your money where your mouth is.

Stefan Stux, Stux Gallery, New York

Placing value on a work of art is a complex and problematic, albeit practical, consideration. How is it possible to add up in dollars and cents the worth of the visual training, labour, materials, and overhead administrative expenses that culminate in a work of art, as well as the special psychic penetration that certain works evoke?

In the case of young artists, one cannot say prices are inflated. Their capital costs are no different from those of a more established artist. However, the relatively low price of a new artist's work is a lure for collectors willing to take the risk. In the case of artists with a certain reputation, price increases monitor a maturing vision as well as keeping up with overall economic inflation. The overwhelming percentage of artists never receive monetary or public recognition, while certain works of art by other artists can sell for hundreds of thousands dollars. Such are the extremes.

Given this situation, it seems that a balance is ultimately achieved through the influence of social or economic forces larger than those of the insulated art market. Although some artists maintain a comfortable level of living, as a group they often experience financial difficulties.

The "inherent" value, which I suppose refers to the innate spiritual value of a work of art, is a temporal concern and should not be confused with the value art can acquire over time. Although art dealers cannot be exonerated from capitalizing on a work's reputation or its historic value, the art market is an auxiliary development to the spiritual lifeline of a work of art.

Wherever possible, artists strive to have control over the context in which their creative products are consumed and understood. It is the nature of galleries not only to ensure that the work is placed in a setting that remains true to its intentions, but also to position the work in an economically fluid situation so that the artist may continue to make art and stimulate public interest. Although an art dealer may have a clearer sense of what sort of work is more palatable to a given clientele, the strength of the work must come from the core of meaning that the artist judges to be most appropriate. My experience has always been to trust the artist's sense of process and development. It is from this strength of conviction that proper distribution can be ensured.

As a neutral backdrop, a gallery's purpose is to frame the work of art in its most potent form. The less obtrusive the gallery context, the greater the potential for a work of art to clearly voice itself and for an audience to respond.

As a contemporary art dealer and gallery owner, my intention is to present work that ties us into the higher aspirations of humanity. This may seem idealistic, but that is not to say that I do not make aesthetic judgments and choices. Interacting with artists, critics, curators and other dealers, I absorb many different ideas, allow them to challenge old ones and decide



Jim Shaw, *Woman in Barrel with Yellow Roses, Typewriter and Chair on Boxes*. Huile sur toile. New York, Metro Pictures.

whether they apply to the body of work I represent. Recently I had to make a decision between the safety of the gallery and its cultural purpose. I represent Andres Serrano (see K. Levin's article page 36), a photographer who works in large-format revisionary portraiture of religious and cult icons. His most renowned work, *Piss-Christ*, evoked heated congressional debate, antagonistic Christian fundamentalist fervor and a range of journalistic controversy. Near the time of

his scheduled exhibition at the gallery, we received countless threats and I was in fear for the safety of the artist, our property and my staff. Such are the issues a gallery owner can face. After many sleepless nights, I decided it was right to proceed with the exhibition. To remove ourselves from the centre of controversy, to step aside from a position of principle, was not a responsible ethical act. I learned something incredibly valuable about the identity of the gallery during that crisis. We have a vital role to play in society, one that disrupts people's expectations, changes their consciousness and stirs them to greater personal conviction.

Janelle Reiring, Metro Pictures, New York

Art is a business, and as an art dealer it's my business to provide artists with a livelihood. There is no other business that operates as loosely as art, where there are generally no written contracts and where a verbal agreement provides the basis for action. Perhaps because of this, everyone seems critical of the art business. But I've found that the ethical standards are actually quite high.

As a primary market dealer, my most important relationship is with the artists we represent. In each case, we've arrived at an understanding as to what the gallery is expected to do for them, and, in turn, their role in relationship to the gallery. And since they can leave the gallery at any time, these expectations must be met and closely maintained.

Everyone is aware now that prices for art were too rapidly inflated in the 80s, and that the tendency could not continue. But this highly speculative, inflationary trend was not just the fault of the dealers. Everyone in the art world was responsible. The artists themselves often had something to do with it. There was enormous publicity regarding the prices paid for art in auctions and in galleries. This generated pressure and peer group rivalry. An artist would want to establish the same prices as another artist perceived as being at the same point in his or her career. We're all guilty of wanting to raise prices. Many of our artists give us *carte blanche* to set their prices. As dealers, we do traditionally have the last word on price.

Primary dealers have more controls placed on them than secondary market dealers or auction houses, which, having no long-term responsibility for an artist's career, can speculate more on an individual sale, and take what the market will bear at the moment. A primary dealer's responsibility is not just financial, but relates to all aspects of an artist's career: to foster an atmosphere in which artists are able to create whatever art they feel is necessary without having to deal with the influence of the marketplace.

Often I'm so involved in an artist's work that I almost feel I know what their next step will be, but of course I'm always wrong. A dealer should not interfere in an artist's work, nor attempt to influence it aesthetically. As a group, artists might seem to be insecure, asking for advice and listening carefully to the feedback. But this process simply enables them to sort out their own thoughts.

Like most dealers, I've also helped artists I don't represent, in one way or another. Most art work is never shown and never sold. I guess we all trust that things get sorted out in the end – and the really good work is exposed. Successful artists already showing in the gallery can help by bringing interesting work to the dealer's attention.

To answer one part of your question directly, there



Andres Serrano, *Piss Christ*. Cibachrome. New York, Stux Gallery.

is no "inherent" value of art work. It all depends on a market that's not implicit but created, and all aspects of the market play a role in setting the price of the work – dealers, artists, critics, auction houses and collectors. Our second tier of relationships, as primary dealers, is with the collectors, and even during the most extreme flurry of market activity in the 80s, I didn't know any collectors who were interested in art only as an investment. Collectors almost immediately

become surrogate dealers for the artists in their collections. They become custodians of the work, and by extension of the ongoing history of contemporary art. Just like galleries, collectors are involved in caring for the work and lending it out to exhibitions, as well as in general custodial or curatorial activity.

I've been an art dealer since the 70s. In the beginning of the 80s, I took a special interest in protecting art works, placing them in collections where they would not be resold. Though this is still an important concern, I now realize it is somewhat naive, based on my expectations of a different art world, a different marketplace.

While excesses in the art world are not as extreme as the outside observer might suppose, I feel that possible corruption applies more to work bought and sold in the secondary market.

But everything, finally, is relative and subject to interpretation. The show we are currently hanging is "Thrift Store Paintings", organized from the collection of Jim Shaw, an artist we represent. Jim told me he felt a little guilty because nothing in the show is for sale. It might look like an altruistic gesture on our part, but in fact it is promotional in a sense, attracting attention to the gallery and the artist, and in the long term possibly benefitting both. But our main reason for doing it is that we all felt it would make a great show.

STEVEN KAPLAN