

Behind the attack on the Detroit Institute of Arts

The oligarchs and their playthings: The private museum comes into its own

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In December, US District Court Judge Gerald Rosen proposed a “grand bargain” in which the world-class Detroit Institute of Art would be handed over to private foundations in exchange for \$500 million. This would end the century-long public ownership of the museum and its famous collection.

Appallingly, this idea was embraced by DIA officials, endorsing the plan to “engage(s) national and local foundations among other funding sources to create a mechanism for providing cash for the City, while ensuring the present and future safety of the DIA collection.” According to the *Detroit Free Press*, DIA officials are currently in talks with federal mediators and a consortium of foundations.

Such a deal—a grand theft of public property—would constitute another watershed in the attack by the financial elite on the rights of society to art and culture, removing the control of the art from the public and handing it to corporate entities and their foundations.

Far from providing for the “safety” of the DIA collection, the move would take the art loved and honored by generations of residents—purchased by their taxes or donated in their name—and place its fate in the hands of the money-hungry elite.

Sadly, the idea is not entirely shocking. It would, in fact, be in line with the growth of private museums both in the US and internationally.

Almost all new museums opening up over the past 25 years have been privately financed and controlled, while government-funded institutions are being systematically starved of resources. US states and localities have cut or entirely eliminated cultural subsidies, while federal art programs are being decimated by sequestration.

Meanwhile the unprecedented concentration of wealth amassed by the financial class over the past period has led to an explosion of extensive privately-funded art collections (see *Business Insider's* Meet Wall Street’s Most Serious Collectors). No longer having room in their many houses to showcase the art, the super-wealthy now build their own museums.

The vast prices commanded for the art itself—driven up by mega-collectors with almost unlimited pockets—have left public museums in the dust. One can only imagine the furor, which would be created in the art world in the event of the sell-off of even a portion of the Detroit Institute of Art’s collection, one of the largest, most significant art collections in the world.

Describing the rise of private museums, Pam Smith, chairwoman of Fellows of Contemporary Art, said, “We’re seeing a very different philosophy. People are looking for different ways to preserve and show their art than they ever have in the past. If they donate to a museum, that’s it. They’ve given up all control.”

Anna Somers Cocks, the founder editor of *The Art Newspaper*, traces the proliferation of private galleries to the frenzied markets of the 1990s, according to the *Financial Times*. “During the ascending, speculative market, people put their money into art and began to buy more than they could house. They could, of course, leave it in storage, but then they wouldn’t have the fun. There is a big club of rich collectors with foundations who go to each other’s events, meet at the fairs and feel they are doing a bit of good.” Displaying works could also enhance their value. “It isn’t necessarily that people want to advertise their collection in order to sell the works later,” says Somers Cocks, “but that can’t be a million miles away from people’s consideration.”

The privatization of art has escalated, tracking the financialization of world economy and the criminal accumulation of obscene levels of wealth by a relative handful of plutocrats. Art as commodity—“monetized”—is being stripped from public control and access.

Who owns the world’s private art museums? The following partial list gives a taste of those who are positioning themselves to control mankind’s artistic and cultural legacy and determine what works will be viewed and how. One does not have to make the allusion to Louis XVI’s private palaces at Versailles, stuffed to the gills with art, to evoke the palpable feeling of decadence and corruption in the return of the aristocratic principle in the twenty-first century.

Eli and Edythe Broad of SunAmerica and KB Home, known for their right-wing school privatization initiatives, will be opening their contemporary art museum in downtown Los Angeles in 2014. At a cost of \$395 million, the museum (modestly titled *The Broad*) will display artworks from the 2,000-work Broad collections. “Visitors will travel up a 102-foot escalator, through the second-floor vault that houses the vast store of artworks in the Broad collections, and emerge into the third-floor gallery that features 23-foot ceilings and 318 skylights that filter in diffused sunlight. Visitors will exit the gallery by a glass-enclosed stair that will offer glimpses into the second-floor storage, giving a hint of the

artworks that may be displayed in future exhibitions,” according to the press release.

In 2011 Alice Walton, the heiress to the Wal-Mart fortune, spent over \$317 million to build *Crystal Bridges*, a museum of American art in Bentonville, Arkansas, the corporate home of the world’s largest retailer. Crystal Bridges was the first major museum built in the US since 1974. The 100,000-square-foot complex features a series of pavilions and a massive 217,000 square feet of galleries. Controversy has dogged the institution from the outset. Tax losses to the state of Arkansas and the city of Bentonville are estimated at \$17 million. Additionally, Crystal Bridges has been involved in a number of controversial art purchases—removing paintings from cash-strapped public institutions—including a landmark of Hudson River School landscape painting, “Kindred Spirits,” by Asher B. Durand, from the New York Public Library for around \$35 million and Thomas Eakins’ “Portrait of Professor Benjamin H. Rand” for an estimated \$20 million from Thomas Jefferson University.

In 2006, Walton secured an agreement to buy a 50 percent interest in 101 pieces by Georgia O’Keeffe, which had been donated to Fisk University of Nashville, spurring a series of court cases. The *Wall Street Journal* noted she began buying so regularly and secretly at auction, outbidding major museums on some masterpieces, that Christie’s specialists referred to her by a code name “Sam” after her late father.

Last July, Guess clothing magnates Maurice and Paul Marciano paid \$8 million to buy a former Masonic temple in Los Angeles, which they plan to turn into a private museum. “A lot of art we have in storage,” Maurice Mariano explained to the *New York Times*. They own about 1,000 works between their art foundation’s collection and their personal holdings. The temple will provide 90,000 square feet over four floors, almost as large as the city’s Museum of Contemporary Art. Marciano explained that the museum won’t provide a staff and regular hours, but that it “might be open by appointment.”

The biggest buyer of contemporary art works last year was Sheikh Hassan bin Mohamed bin Ali Al Thani. His private museum the *Mathaf: Arab Museum of Modern Art*, opened in 2010 and is based in Qatar. It features Arabic art from the 1840s to the present.

Known as the world’s richest man, Mexican telecom billionaire Carlos Slim is building his second museum, the *Soumaya*. It will house his Rodin collection along with Impressionists and Surrealists in five stories of exhibition space to show a sliver of his 66,000-piece collection.

Reputedly the leader of the world’s biggest gambling syndicate, known as the Bank Roll, Australian David Walsh has created a *Museum of Old and New Art* (MONA) outside Hobart, Tasmania. The MONA, designed as a labyrinth, is dedicated to sex and death. The combined cost of the museum and its art is rumored to be in excess of \$200 million, twice the cost of constructing the Guggenheim Museum Bilbao, according to the *Monthly* publication. Attracting in its two years of existence more than 700,000 visitors, the museum has enabled Hobart to make *Lonely Planet*’s list of Top 10 cities to visit in 2013.

DESTES Foundation for Contemporary Art, in Athens, is owned by the Greek-Cypriot Dakis Joannou, whose fortune stems from

international business in construction, bottling, shipping, aviation, and real estate. His art museum is famously located on his yacht named “Guilty,” painted in navy camouflage by Jeff Koons.

The most “highly anticipated privately funded gallery” is that of Russian commodities oligarch Roman Abramovich, according to the art press. With a net worth of \$13.6 billion, the tycoon—who admitted that he paid billions of dollars for political favors and protection fees to obtain a big share of Russia’s oil and aluminum assets—has spent \$400 million to purchase the rights to build a “city within a city” on St. Petersburg’s historic New Holland Island. The venture will consist of a complex of galleries, museums and hotels. According to the *Telegraph*, “Abramovich announced his arrival on the art scene in 2008 after spending £60 million in just 24 hours at two auctions in New York. He first spent £17 million on a painting by Lucien Freud—the most ever spent on a work by a living artist—and then followed it up the next night with the £43 million purchase of Francis Bacon’s Triptych, 1976—a record for the artist and a record for any contemporary art work.”

Not surprisingly the millions of dollars sloshing around in the bank accounts of the *nouveau riche* of China are finding an outlet in art speculation and dealing. The Chinese art auction market last year reached the stratospheric heights of \$8.9 billion, eclipsing that of the US at \$8.1 billion. While government tax breaks are not available in China for art donations, there are possibilities for sweet land deals from the government for developers. For this reason many museum projects are being founded by property developers, with an eye towards significant future profits.

The first mainland Chinese collectors to make ARTnews 200 Top Collectors list, investment tycoon Liu Yiqian and his wife Wang Wei, spent 2 billion yuan (\$317 million) on art during the past two years. Kelvin Chan, in an Associated Press report, observed, “Wang and billionaire investor Liu are part of a new generation of wealthy Asians that is better known for splashing out on extravagant toys such as private jets, mega-sized yachts and supercars. Some, instead, have built big art collections and now aspire to showcase their refined sensibility to a wider audience.”



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