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Theodore E. Stebbins, Jr., Julia Brown Turrell,
Jay E. Cantor, and John Walsh

Theodore E. Stebbins, Jr.

It would seem a truism, and unnecessary to repeat, that the very heart of the older, established museum such as the Museum of Fine Arts can be found in its permanent collection. This is clear, at least, to most of us who devote our lives to these institutions. When we think of a museum, we think of its collection, and particularly of its great strengths. If you say “the Museum of Modern Art” to me, I imagine the gallery full of Matisses, or the one with their great Pollocks. When I think of the Philadelphia Museum of Art, I see the superlative group of Eakins paintings; for Chicago, I conjure up the great Seurat, *Sunday Afternoon on the Island of La Grande Jatte*. The collection is what gives the museum its identity, establishes its mission, and suggests its future. The collection also is often the most important factor in attracting the attention and allegiance of both its professional staff and its major supporters. Moreover, most museums, including the Museum of Fine Arts, place the care and preservation of the collections at the top of their mission statements.

Yet despite all this, I believe that while we pay lip service to the idea that the collection is central to what museums are about, we are in danger in our real lives of making the care, conservation, exhibition, storage, publication, research, and building of the collection into a secondary aim. As Philippe de Montebello has pointed out on several occasions, these are difficult and strange times for museums, and undermanned staffs turn increasingly to the production of temporary exhibits—with their hoped-for financial benefits to the museum, and the occasional moments of glory they can bring to the director and curator—while turning away to a considerable extent from their traditional job of caring for the permanent collection. My own view is that collections are akin to living organisms. Collections that are not cared for, that are not actively researched, conserved, published, and exhibited become

weak, and they may even die. Collections become especially vulnerable if they are left without specialist curators who study and champion them. Thus a distinguished modernist director, Andrew Ritchie, sold Yale's great collection of Tiffany glass in the late fifties because the material seemed tasteless and therefore irrelevant to the study of art history. More recently, during the past year, the Walker Arts Center sold the last of its T. B. Walker collection of nineteenth-century American paintings, including the now famous painting by Frederic Church, *Home by the Lake*, 1852, which set an all-time price record for an American picture at Sotheby's in May 1989. This deaccessioning was done with great deliberation and care, a number of distinguished experts were consulted, and in many ways, the deaccessioning makes sense in view of the Walker's self-definition as a museum of contemporary art. But at the same time, no one can doubt that it was a tragic loss for Minneapolis and for the people of that area. It was the region's core collection of nineteenth-century American art, and it exists no longer. Surely the sale never would have happened if *either* the Walker or its neighbor, the Minneapolis Art Institute, had had at the time a curator specializing in the nineteenth-century American field. This is not to say that I believe deaccessioning to be *de facto* wrong. We do it regularly at the Museum of Fine Arts, and we try to do it carefully and wisely; but our rule is *never* to sell things that we dislike, because we know that taste changes. Rather, we do it only in narrowly defined areas when trying to upgrade the work of an artist or school. One of the great joys of working with a collection as good as ours in Boston is the opportunity to improve holdings that are already strong. To give just one example, no one would doubt that our collection of works by John Singleton Copley, numbering some sixty-two paintings and thirty drawings, is one of the great treasures of the museum, one of the reasons people come to the MFA. During the past decade, we have worked hard to make this great collection even more outstanding, in the process acquiring three more Copley paintings—the famous *Boy with a Squirrel*, the rare full-length portrait of *Colonel Nathaniel Sparhawk*, and a beautiful grisaille, *The Copley Family*, which includes a Copley self-portrait in it. One of these acquisitions came as a gift, one was a partial purchase and partial gift, and one was wholly bought. Purchase funds in these cases came from the sale of three of the weakest of our Copleys. I think deaccessioning works best where you have a strong expertise, and it is best when you upgrade within a given school, as the Museum of Modern Art did successfully recently with the purchase of their Van Gogh, or where you upgrade within the work of the same artist. We have slowly learned in our field that people, both scholars and the public, come to a museum for its strengths—that people go to Philadelphia to see Eakins, to New Haven to see Trumbull, to Sarasota to see Rubens, and so on—and that we need not all aim to have a broad survey of all of art history. In the fifties it was very popular for all museums to have a broad survey of everything; that now seems unnecessary and naive.

Working with a collection is extremely rewarding for the specialist, but sadly, in most of our museums, we have not yet learned how to convey this high priority of the collection to others. Both our public and our own trustees are likely to see our full storerooms either as representing liquid inventory, or as demonstrating that we already have more art than we need, both of which are quite wrong. The rise in the art market makes our collections worth more and concomitantly makes our lives more difficult in almost every respect. Most dangerously, current prices raise the specter of selling art to pay operating expenses, which would, I believe, have a devastating effect on the future of museums. Alan Shestack, I know, feels strongly about this. We have not been effective in making clear the museum's multifaceted role as a center of research, as a bureau of aesthetic standards, as a library of materials, styles, and signatures, and as the source for future rediscoveries, exhibitions, and inevitable changes of taste. A collection must be properly curated; if it is not constantly being improved, it may well decline. Ongoing research and publication is particularly important if the museum is going to be more than a storage facility and the curator more than a caretaker, as has already happened in some small museums and historical societies.

In my own field of American art, during the 1980s, the Henry Luce Foundation has made an enormously important contribution toward solving this problem. During the past seven years they have made grants to some 20 museums for research and publication of both scholarly and popular catalogues of the permanent collections. These catalogues set a standard for the American and modern fields. The Luce Foundation also funded the superb Luce Study Center at the Metropolitan Museum of Art, a computerized, open collection storage, which was completed this year. During the nineties, it looks as though museums may be forced to turn back to their collections, as the cost of special exhibitions rises and outside funding from business and government dwindles. It seems to me that this is not an unwelcome development, for our permanent collections are the essential reasons for the existence and survival of the museum, and they deserve our attention.

Julia Brown Turrell

There is a range of issues facing museums as they form collections. How to do so with great quality, with major works; and how to do it accurately, so the evolution and force of art is conveyed in a way that is responsible to cultural history and to art itself. How to develop a collection of strength and distinction so each museum is not a carbon copy of the next. How to do so both with limited resources and with a limited number of works of great quality, in a world that is intensely competitive.

Museums are in a difficult period with the myriad of pressures placed upon

them to play many different roles in a community and to serve many different constituencies. At the heart of the museum's responsibility is to form and present its collection and to serve well its most important constituency—art itself.

I speak from the viewpoint of a director of a relatively medium-sized institution outside of a major urban center, a museum with distinctive architecture and an outstanding twentieth-century collection. This presents different issues and challenges from those of a large museum collecting many fields and periods. I also speak as a museum director with a particular concern about how best to collect and present the important art of our times for now and for future generations.

The current art market has complicated the task of museums tremendously, as has been well and frequently discussed. The rapid escalation of prices both at auction and in the galleries has taken many museums out of the market. Donors, because of this factor, and because of the current tax laws, are less willing to give. Another result of this money frenzy has been an uncomfortable shift in values whereby one is talking more about money than about art, and real value becomes harder and harder to ascertain. In the contemporary art world, the interplay of museums, galleries, artists, collectors, auction houses, critics and other writers, and the ever-present media results in a complex of powerful factors that influence reputations and prices.

Within this tangle of forces there remains the steady and compelling power of the art itself, and it is the job of the museum to fully respond to it. It is essential that museums work both with the market and independently of the market in their building of collections. Because the forces that drive the market are not the same as those that drive art, and because the goals of the two are not the same, the museum must keep its sights clear on what is important in art and not be overly influenced or driven by what may be important in the market.

I feel that in our turbulent times, and particularly in the area of contemporary art, it is more important than ever for the museum to be bold, to be steady, to be wise, and to be responsible—to art and to artists and to its public.

It is imperative for museums to plan for the future in response to the development and needs of art itself and to realize that continual institutional growth, change, and reassessment are required because the history of art continues to evolve.

By carefully assessing what has been an important force in the recent evolution of art, and taking on that work which may challenge some of the traditional spatial and structural constraints of many museums, I believe one can form an important collection of art of our time, even with limited resources. In marshaling one's resources and working with artists, collectors, dealers, and the auction houses to identify and purchase primary works, I believe one can still make a collection of substantial and lasting meaning even with lim-

ited resources. To have the courage of one's conviction, as an institution, and not to be swayed by the prevailing forces of fashion will bear real fruit.

One of the directions we are pursuing in Des Moines is to take advantage of our unique setting (which includes buildings by architects Eliel Saarinen, I. M. Pei, and Richard Meier) and our location in a beautiful park, by commissioning and purchasing environmental outdoor and indoor works for the collection. A major sited sculpture in stone by Richard Serra has just been installed, and works by Bruce Nauman, Robert Irwin, Siah Armajani, Bill Viola, Richard Fleischner, Ann Hamilton, and Mary Miss are in various stages of development. These are artists who are making a major contribution to the evolution of art but whose nonobject works and installations are less involved in the art market. We are also continuing to build the collection through seeking important individual works from 1940 to the present using the same combination of resources used by most museums: collection endowment funds, fund-raising to support individual works, careful deaccessioning to focus and strengthen the collection, and the seeking of donations. In the intensely competitive arena of contemporary art, with more and more museums and collectors around the world focusing on contemporary art, it is a challenge to identify and purchase important works while the price is still within the realm of possibility, and before the prize is snapped up by others.

Jay E. Cantor

My remarks will be partially economic and partially philosophical. I hope to suggest through a few digestible statistics what we all know from the banner headlines of the press reports on each season's rounds of major auctions. The market is hot, and prices are escalating at an incredible rate. The real impact of price increases on collectors, both private and institutional, has to be understood in light of broad patterns of collecting behavior.

The auction market represents only a segment of the art market, the other part being the trade—in itself a diverse group ranging from art consultants to private dealers to the traditional gallery, with a fair number of people dealing out of an attaché case sprinkled in. The auction market is, however, an increasingly large and visible component of the market. Moreover, the sales figures, by consistency, volume, and documentation, are the most reliable index we have of the art market. While we cannot quantify the entire market through auction records, we can discern patterns and examine changes that have occurred. We also have evidence that auction prices both mirror the market and influence it when we see dealers adjusting prices immediately after an auction.

The other half of my discussion will revolve around notions of collecting

and the interplay among museums, private collectors, and the market. I want to glance back at market patterns of the last five years and to suggest some of the reasons for the changes that have occurred. Most price cycles in the art market last from three to five years. Significantly, the most recent five year period encompasses the 1986 tax law revision and demonstrates its impact on the art economy. You will forgive me if I take my figures from Christie's sales, but these are easiest for me to obtain. As we have enjoyed a fairly stable proportional balance with our major competitor over this period, I think our figures can be taken as a viable sampling rather than as a reflection of the redistribution of market share.

I will also concentrate on New York sales which, amazingly, have superseded London. This is an interesting footnote, as a decade ago, America was a provincial auction center.

Since 1984, Christie International's sales have increased annually at incredible rates: 1985-86, 8.2%; 1986-87, 50%; 1987-88, 10%; 1988-89, 63% (percentages are based on figures in pounds sterling). Our growth in New York has been similarly astonishing: 1985-86, 12.8%; 1986-87, 56.0%; 1987-88, 48.6%; 1988-89, 56.5% (percentages are based on figures in U.S. dollars).

In the 1960s, museums clearly held the center stage in making dramatic, high-priced art purchases. Beginning with the Metropolitan Museum's acquisition of Rembrandt's *Aristotle Contemplating the Bust of Homer* for \$2.3 million, continuing through the 1970 sale of Velasquez's *Juan de Pareja* at over one million pounds sterling, to the Monet *Terrace at St. Adresse* in 1967, there was an optimistic broadening of the art market with museums in the lead. Such purchases may well have been a capstone—a fruition of 100 years of treasure hunting which had brought millions of works of art into the public domain. Museum professionals considered collections growth as a primary goal, and museum training focused on connoisseurship. Thoughtful acquisitions became the visible expression of the museum's professional activities.

Simultaneously, costly blockbuster exhibitions emerged as contenders for precious dollars of funding and began to erode the primacy of acquisitions as the focus of popular fascination with museums. Both of these activities are threatened by the current escalations in the market. Museums that cannot buy may also find it difficult to insure desired loans, and lenders in turn, because of the increased value and implied risk factor of a loss, have become increasingly unwilling to part with works. This is further complicated by the fact that we have a new breed of collector.

Scarcity and value in the market have combined with mobility in lifestyle to give art a different place in the domestic and emotional landscape of collectors. To put it bluntly, we have probably gone from the era of art collecting to the era of art consuming. In that scenario, art is acquired as an adjunct to other lifestyle decisions and can be changed as easily as one converts, say, from French provincial to Art Deco. Art has become, particularly through the good offices of art institutions, endowments, and the media, accessible and easy. A

broader base of collectors now populates the marketplace, making, hopefully, studied but often highly personal decisions. These collectors are often disengaged from the traditional arena of museum affiliation and influence and from the familiar halls of plush, upscale galleries.

The new collector, who may never aspire to own more than a handful of works, pushes up prices and may well be invisible, aloof from the supplications of institutions. This collector is less likely to follow the lead of earlier generations who were the donors of important objects and collections. Older generations have absorbed the philanthropic instinct, at times outside of financial self-interest; it remains to be seen whether ready-made fortunes carry with them the same civic impulse. Furthermore, survival of this donor instinct, as we all know, was dealt a severe, additional blow by the 1986 tax law which eliminated the financial incentive to give appreciated property. In addition, museums are competing with each other to attract nationally recognized collectors in specific fields in hopes of luring them from their home institution with promises of greater national celebrity.

One of the few remaining opportunities for museums to lure gifts is in the form of bequests. Appreciated art becomes a liability in an estate and a drain on liquid assets. If the attraction of high prices and the ready accessibility of auctions, which perform especially well with estate material, do not distract heirs and executors, the bequest of art can be the most important potential source of acquisitions for all but the few institutions with generous purchase funds.

In the absence of a surviving class of philanthropic and nurturing trustees, and faced with other financial woes, the museum has turned increasingly to entrepreneurial or corporate leaders for managerial assistance on their boards. There is an expectation that these trustees will also provide much-needed funding, but they in turn assume they have been put on the board to provide the benefits of their business experience. These trustees often do not understand the difference between running the museum as a business and running it in a businesslike way. Hoping to convert practical managers into philanthropists, some museums, especially those in smaller communities, could find themselves with board members who have no interest in collections or collecting. Furthermore, in some institutions, curatorial departments lack a trustee collector to carry their banner and can find themselves at a singular disadvantage.

The curator is charged with encouraging fledgling or established collectors in the hopes they may also become donors. Curiously, at the very moment when this potential seems gloomiest, museums have awakened to the necessity of intimate familiarity with the marketplace. We see many more curators escorting collector groups to sales than ever before.

Many museums are also lumbered with a slow and cumbersome acquisitions process totally out of sync with the rhythm of the marketplace. Acquisition decisions reside with collectors, committees, and ultimately the board of

trustees. The process was necessary in an era when the trustees, collectors themselves, were often paying for the art. With a new breed of trustee and greatly expanded professionalism of the museum staff, these procedures need to be streamlined.

Auctions will not wait, and after decades of having their property held captive for months pending a board meeting, dealers will not wait either. If they offer work to a museum, it is often the arcane, the difficult, the rare, or uncommercial object.

Collectors clearly have the advantage, especially the new entrants to the field. Those long engaged in the process can find it difficult to adapt to new price levels, even when their resources are adequate. New money enters the market and accepts it at its current level. Today's prices are the market. The secret desire for a return to the old days is not likely to be fulfilled because the old days are unknown to the new collector. I, of course, am not ruling out an across-the-board market adjustment.

Ironically, it may be high prices that pull people into the market, like moths attracted to a light bulb. The spotlight increases energy and activity, but it can be fatal. The heat of the art market simulates the fast-paced financial markets the new collector is familiar with. Art has become liquid—and the marketplace self-verifying.

As important private collections are drawn into the market by high prices, their freshness in the sales arena helps energize the bidding and escalate the selling price. Even the reappearance of a work of art after only a brief time off the market is not as catastrophic as it once was, since for new buyers, unfamiliar with a work's past history, the piece is a discovery, and price changes make it appear a bargain.

A recent and compelling example of this is a pastel by Mary Cassatt sold in June of 1984 in a Christie's American painting sale for \$495,000. This large (25 × 32 inches) and dramatic work entitled *The Conversation* was reoffered in an American Paintings gallery four years later at \$1,500,000 and found no takers. The owner then put it back at auction, this time in Christie's French Impressionist sale, where it commanded \$4,510,000 only five years after its purchase at one-tenth of that price.

Liquidity, of course, can also encourage the pure speculator, and with that apparition in the market, we are all in trouble. While collecting may have become consuming, it should not be commodity trading.

Can museums participate in the market? Part of the answer, of course, lies in the collections policy. The institution that aspires to comprehensive overview, and one that hopes to build on selected strengths of the collection, can each find the market's scarcity defeating. On the other hand, specialized lacunas can be filled with objects that are not in the center of the market. While a Monet may be out of reach at \$10 million, the truth is that the wealthier institutions probably do not need the kind of Monet that comes up, and the poorer ones would have been out of the market at one million.

Those who build collections on an existing strength appeal, in particular, to the specialist and scholar who finds it useful and convenient to see quality and quantity in concentration at a particular location. Such specialized focuses become visible attributes and promotable features of an institution—the museum as treasury and as monument demonstrating the power of plenty. The average visitor finds less utility in such aggregation. A broader chronicle probably provides greater functional utility for the community. And in days of decreasing assets and fewer traveling exhibitions, the permanent collectors will come into focus more clearly as the source of community interest in a museum. Museums are more likely to find collecting solutions in their basements—either by resurrecting previously neglected works or by finding material for deaccessioning.

The subject of deaccessioning is prickly and controversial, but it is an extremely important avenue for the museum which, while hurt by the rising market, might also benefit from it. As there is no right acquisitions or collections philosophy, there is no single acceptable rationale for deaccessioning. What I can suggest is that objects once in a museum are not sanctified in eternity, nor are they condemned to death if deaccessioned. The move from a basement rack or shelf to a Park Avenue apartment might be a step up, as the buyer who pays a good price is likely to care well for the purchase. It becomes part of the museum's new function not simply to be the custodian in perpetuity, but rather the educator and counselor to private preservers of art.

There is a lesson here from the countless historic preservation agencies who have deaccessioned houses with covenants to protect them. Furthermore, the sale of art is done to bring other art into the museum, so there is, in effect, no net loss and, in terms of the usefulness of the collections, a probable net gain.

Museums have participated more actively in the marketplace in recent years, as is evident from the figures reported in table 1.1. The responsibility to preserve, and the desire to build visible monuments is taking a special twist

Table 1.1 Museum Selling and Buying Activity at Christie's, 1984–89

Year	Institutions	Lots	Total Sales
Museum sales			
1988–89	88	844	\$21,735,080
Violette de Mazia Collection sold for the benefit of the Barnes Foundation		440	<u>7,865,720</u> 29,600,800
1987–88	86	1,277	14,237,912
1986–87	61	1,000	8,178,297
1985–86	37	997	6,425,306
1984–85	28	298	3,517,168
Museum purchases			
1988–89	93	142	37,543,678
No purchase figures available for previous years.			

Table 1.2

	American	Asian	Other	Total
<i>Contemporary Art Sales Combined Totals: November 7 and 8, 1989:</i>				
Dollars spent	39,410,580	9,136,600	34,279,300	83,014,680
% Dollars spent	47	11	42	100
Lots bought	236	41	153	420
% Lots bought	55	9	36	100
<i>Impressionist and Modern Paintings, Drawings and Sculpture Collection by Mr. and Mrs. Paul Mellon; Impressionist and Modern Paintings and Drawings: The Mr. and Mrs. George N. Richard Collection; Important Impressionist and Modern Paintings, Drawings and Sculpture, Part I—November 14, 1989:</i>				
Dollars spent	49,027,000	88,715,000	94,616,000	232,358,000
% Dollars spent	21	38	41	100
Lots bought	17	25	26	68
% Lots bought	25	37	38	100
<i>The Billy Wilder Collection: November 13, 1989:</i>				
Dollars spent	15,763,000	3,822,500	13,055,900	32,641,400
% Dollars spent	48	12	40	100
Lots bought	42	12	31	85
% Lots bought	49	14	37	100

as museums confront the challenge to keep works of art in America in the face of the influx of foreign buyers. Again it is helpful to look at the statistics. In the most recent round of major Impressionist, modern, and contemporary sales, we see an interesting pattern of foreign buying (table 1.2). The American collectors demonstrated a strong preference in the contemporary field where the Japanese have only recently begun to make a showing. Asian buyers are still timid in the area of contemporary art and accounted for a small percentage of purchases. Even in the post-Impressionist and modern field, which was the core of the Billy Wilder collection, Asian buyers lagged behind American and other collectors. However, in the Impressionist arena, Asians bought a strong percentage of works, although not, as they had previously, all of the more expensive works.

Museums in America have undergone enormous physical expansion in the last few decades leading to an increase in memberships which, in turn, led to an increased need to keep members interested. Collecting activity has been a major component of that program. Collecting for a museum is incontrovertible evidence that it is, in fact, alive. Like an economy seeking continuous growth, museums have taken collection expansion as a sacred obligation. Collecting is often the reason a director or curator went into the field, a love of objects and the ameliorating influence of retail therapy. With this new market structure, and increasing competition from foreign buyers, the major lament

is that the fun is gone. It is hard to collect; it is hard to convince the administration to pay attention to the collection.

The other side of museum work, the study and interpretation of the collection, has been suppressed in favor of the big and showy, audience-gathering, blockbuster. The staff spends an increasing proportion of their time filling out grant applications to the endowments or courting corporate sponsors. The small-scale, thoughtful, exploratory exhibition does not boost admissions.

American museums are rather frightened by the prospect of middle age, and little comfort is provided by the examples of great European institutions that are great without growing. American museums are too professionally oriented to sit still and too restless to retire. We may be at the end of a great era of collecting for institutions, but there are still significant opportunities.

The accumulated resources of American museums are a rich field for scholarship and an undiscovered territory for large segments of the population. Enlightened entertainment—the guiding principle of the creators of parks and museums a century ago—is still a positive potential for the museum public. The treasures of American institutions are a document of aspiration and a vehicle of inspiration.

In many ways, American museums have veered from their charter purposes. The frenzy of creation subsumed another, philosophical goal. Museum charters defined art as a means to an end—art in the service of education, moral uplift, and social betterment. And if original works of art were not available, these goals could be achieved through the use of casts and reproductions. Then suddenly new American wealth and a Europe impoverished by war made the unimaginable possible: great treasures could be purchased, and their acquisition became the major thrust of the museum.

New alignments in the market and a renewed understanding of what museums can and should accomplish will refocus attention on existing collections. Those collections will be revalued not only as a product of modern scholarship, but also in the light of revivals of older, forgotten, charter purposes. While we would all still like to be out there collecting, these new goals pose challenges in these complicated, not unimportant days.

John Walsh

Let me first say a few words as the 1989–90 president of the Association of Art Museum Directors, the AAMD, which represents about 140 of the larger art museums in this country.

When the trustees of AAMD learned about a year and a half ago that a group of world-famous economists, led by a former counselor to the president, planned to make a study of the economics of art museums, we had conflicting feelings. We were flattered, first of all, since we had been insisting to

governments and policymakers for years that art museums had become a big force in the economics of our communities, and now we were going to be treated like one. We knew just how well timed your interest was, considering the financial bind that most of us are in, chronically or permanently. We hoped that economists would teach us something; at the same time, I am sure some of us feared that poking at our financial aches could lead you to mistaken diagnoses and maybe drastically wrongheaded treatment that you might prescribe and lend your prestige to.

The background papers, which I found fascinating—particularly on the subject of tax policy and marketing—showed that you don't have the answers either, and that we all still have much to learn about how museums function in the economy. I am grateful to each of you who wrote them. There is a lot there to argue about, but at the very least it is refreshing to read about our work and attitudes described from a sharply different perspective and in a professional jargon that is almost as arcane as our own. I hope art museum directors will benefit a great deal from this meeting and the published proceedings.

Martin Feldstein asked me to speak on museum collections and especially my own personal experience. Given the peculiar situation of the Getty Museum, which is busy building a collection in a time of escalating prices and unfavorable tax laws, he suggested that I talk about collecting strategy, including the issue of specialization, and art sales by museums.

Our situation is nearly unique among art museums, for the Getty Trust is lucky enough to have the money to permit the Museum to compete for the best and rarest works of art in an increasingly dizzy market. (I am not sure that this actually gives me a better seat to observe the market. I sometimes feel I am down on the ground like Fabrizio, the young antihero of *The Charterhouse of Parma* by Stendahl, who rides into the middle of the battle of Waterloo but in the confusion cannot figure out what is going on, who is winning or losing, and for years afterward wonders whether that really was the famous battle he was in, or not.) In my six years at the Getty, we have been after an endangered species, the rare and important work of art. The competition is seldom from other museums, because their endowments for acquisitions have not risen with the astonishing inflation of the art market. Instead, it is almost exclusively from private collectors in America, South America, Europe, and Japan. These people, or the companies they control, have staggering amounts of cash to spend, often in currencies that have recently gotten stronger against the dollar. They often bid as though they have nothing to lose, confident that art will at least hold its value against other investments and may do better.

I would like to point out a few aspects of the mechanics of the market, not to my museum colleagues here, who know these things as well as I do, but to the economists.

The balance of forces has changed, so that now the auction houses dominate, whereas twenty years ago a much higher number of the most important works of art in the market were owned by private dealers or sold by them on consignment. In the good old days, not long ago, when dealers bought most

of their stock directly from private owners, the dealers had great advantages: Nobody knew what they had paid, and therefore nobody could figure how high the markup was; it was not known that they had a particular work, so they could offer it quietly to various clients one by one; and, after a while, they could buy back works from their clients or take them in trade and resell them to other clients, sometimes making profits again and again on the same thing—in effect, managing in a spirit of quiet confidentiality a pool of art owned by successive generations of trusting clients. Now art dealers are forced more and more to buy at auctions. What they pay for something is public knowledge, so there is a limit to the markup. Higher and higher prices mean bigger investments for dealers when they buy, which has meant wider syndication to share the cost and risk, and this gives a bigger role for fretful backers and their accountants. Often dealers find themselves bidding against the same private collectors they would have hoped to sell to. Let me invent an example.

Let's take a collector, say Mrs. Haveamanet, who has a painting she bought from the dealer Sam Pfeffer for \$200,000 in 1955. She has gotten old, the Manet is dirty, she wants the money to distribute to her children, so she goes back to Mr. Pfeffer. Pfeffer says they will gladly buy it back from her for \$3.3 million, calculating that they can clean it, reframe it, and sell it for \$4 million. Christbie's tells her that it will fetch \$3.5 to \$4 million at auction, maybe much more, and offers to pay her a guaranteed \$3 million cash on the day of the sale. She might have preferred to dodge the publicity and make a quiet, private sale, but what the hell, all her friends are doing it, so the picture goes to auction. The Manet makes \$3.8 million. The underbidder was the dealer Pfeffer, who stopped because he just did not think that the spread between what he would pay and what he would have to ask would be worth it. The successful bidder against Pfeffer is a client of theirs, a 36-year-old aspiring greenmailer who had been in to see Pfeffer a few times and bought a minor Renoir. This time he skips the middleman.

Auction houses have been shrewd in promoting auction sales as theater for large audiences of vicarious participants and admirers. They have gained the confidence of inexperienced collectors, who are apt to be afraid of being ripped-off by dealers and have come to believe that auctions are the best test of the fair market value of a work of art. So have an important class of sellers, the bankers and executors, who do not know much about art but who read the papers and have their worries as fiduciaries.

Thus the flourishing of the auction age, with highly publicized record prices that keep the log rolling. Thus the decline of private art dealing; dealers who have not fallen off the log are in an increasingly specialized trade.

The irony here is that museums have mostly been put out of the acquisitions game partly by what museums themselves have been doing to create art consumers. In the boom years since the mid-sixties, American museums have been hugely successful in making their programs popular, especially temporary exhibitions. They have played a big role, together with the media, in the

broader consciousness of art that sharpens the appeal of collecting as a prestigious activity for those who can afford it. What is new is not status-seeking through art—we have had that for a hundred years. What is new is how widespread it has become and how much money it takes.

Museums have helped price themselves out of the art market, of course, by reducing supply—retiring works of art from circulation for ever. This might make you economists think that museums could manipulate the market in their favor by selling to relieve the scarcity. The trouble is that the things museums are willing to let go would not deflate the market—they are usually not very good and mostly consigned to storerooms.

Museums have been able to add amazingly little to their purchase endowments. Walter Annenberg's gift to the Metropolitan of an acquisitions fund of \$15 million, and of \$5 million to several other museums, was a complete surprise, the first thing of its kind that I can remember in many years. Passing the hat for individual purchases generally has not been a reliable method for most museums. But museums have been generating more purchase money by selling. Works of art that are minor or that have become redundant by virtue of subsequent acquisitions are culled and sold. This practice was not very widespread until the last decade, but recently it has been big business, indeed the key to shaping the collections by the staffs of many major big city museums with large collections, and others too. Jay Cantor provides some dramatic numbers. Even very well-endowed smaller museums like the Kimball and the Getty sell from time to time—always things that have been superseded in importance or are downright unexhibitable. To give credit where it is due, I should say that we usually sell at auction.

Let me add something about timing and specialization, from the perspective of our own collecting.

Paul Getty had very narrow interests—he collected antiquities, French furniture and decorative arts, and paintings, and that was all. But he left no restrictions on what we could collect after his death. In 1983, after his legacy had begun to generate income for the Trust and the Museum, we made a study of the collections and decided to expand their scope only very modestly. We were happy to remain relatively specialized. We thought it was simply too late to make excellent collections in many fields, no matter how much money you had, and that the world did not need another all-purpose art museum with a little from a lot of cultures and periods. We chose not to be a textbook but a well-edited anthology instead. We resolved to build the existing collections, first of all. Our choice of new fields was partly historical, staying within the arbitrary bounds of Europe from the Middle Ages until around 1900, and in part opportunistic, based on rough calculations of how we might do great things in the face of the actual realities of the art market. You might be interested in those decisions.

We decided to begin a collection of Old Master drawings because we had a chance to make an important collection that would make a distinctive contri-

bution on the West Coast. We knew the supply in private hands was relatively abundant, and that for a time at least, prices would not go up unreasonably, since collecting drawings is not nearly as widespread as collecting paintings. Having bought mostly one by one, rather than in blocks, we now have about 300 drawings at a very high level of quality. It is still possible to buy superb examples by less-than-world-famous artists in the \$20–50,000 range. The greatest and rarest, however, such as the work of Leonardo, Raphael, Dürer, and Rembrandt, make prices in the millions and are collected almost exclusively by private people.

Manuscripts came to the Getty in quite a different way. I do not think the trustees would have thought seriously about collecting illuminated manuscripts except for the historical accident in 1983 that brought Peter Ludwig, the German chocolate manufacturer, to decide to sell his private collection. He had bought the best medieval and Renaissance manuscripts that appeared in the market for twenty years or so. We could have his entire collection of 144 examples at a price much lower than the sum they would have made individually, because Ludwig wanted to see the collection survive more or less intact, and he was prepared to get less than top dollar to preserve his achievement. Again, we would have the only significant collection in the West. Since there were many important manuscripts still in private hands, we knew the collection could gradually be made even greater. But having retired dozens of the best privately held manuscripts, we could not help contributing to a jump in prices, and inflation has been fierce ever since. Our dollar now buys a fraction, perhaps a third to a quarter, of what it did when we started with manuscripts.

We began to collect European sculpture not only because it made artistic sense, but because we knew that there were many opportunities. Sculpture has always been undervalued relative to paintings and had fewer private buyers. In 1983 we imagined that there would be more for sale than there actually has been, and we did not reckon on the vastly higher prices that generally do not make the news but are very real. A bronze that cost \$300,000 in 1983 can very easily cost \$1.5 million today. Our rate of acquisition has fallen off, partly as a result of not having adjusted our expenditure much for inflation and partly because of the sheer scarcity of the things we want the most.

Our decision to begin a new collection of photographs was perhaps the most dramatic from both the artistic and economic point of view. There were good art-historical reasons for including photographs in a collection like ours, but we would never have dreamt of doing it without another of those never-before-or-since opportunities. We had a chance to bring together, more or less overnight, the three most important private collections in the world and a whole group of other smaller ones, altogether something close to 30,000 pictures. The timing was ideal. The bull market in photography in the late seventies and early eighties had leveled off. The major comprehensive collectors were willing to sell, but only to a buyer who would keep the collections together, like

Ludwig, so that their personal creations might be preserved. We removed a very large number of the most important photographs from the market forever, and we saw a corresponding rise in prices (though nothing like as steep as was predicted). The photography market rose gently, in fact, until a couple years ago when a raft of new buyers entered the picture, including the Japanese. Luckily we are now looking for a relatively small number of great pictures, "fishing with a fly rod," as the curator says, no longer with a dragnet.

The purchases you hear about, though, are paintings. And the Getty often buys in the most inflated sector of the market, the best and rarest. Mr. Getty left us only the beginnings of an important collection, and it needed practically everything. We knew it would be expensive to build, and God knows we wish we had been able to start ten years or even five years sooner, because it has been expensive beyond our dreams. But we felt a duty to do justice to European paintings—again, because of the particular needs of Los Angeles and the West, and because we believed, and still believe, that we can still *be* an important collection, albeit relatively small and not evenly distributed across European history.

So far I have been speaking as the director of the Getty. Let me close with a few more general remarks.

Two trends bound up with the economy of art museums have been very evident in the past twenty years. Collecting, which formerly dominated our imagination, has played a smaller and smaller role in the life of our museums. Exhibitions, on the other hand, and I mean large, well-publicized loan shows, have become the commanding aspect of museum life.

From the mid-1970s onward, we have been seeing the end of a hundred-year era of collection building. I think this is true for most museums across the country, except for the very important subcategory of contemporary art, and of course, a few late-blooming but well-watered plants like the Kimbell and the Getty. During the collecting era, museums promoted the glamorous stereotype of expensive purchases, especially toward the end, by directors who did not mind exaggerating their own wily brilliance and publicizing their triumphs. This is the "chase and capture" mentality that made for high-profile careers and poor novels. Museums were buying works of art, all right, but many fewer than the stereotype would suggest. Mostly they were getting gifts.

American museum collections were formed above all by gifts, not purchases. The value of works of art given and bequeathed to museums—that is, works of art chosen by collectors and donated—must be vastly, vastly greater than the amount of money given or bequeathed to museums for purchases, whether earmarked endowments or contributions for purchases—that is, money spent by the curators and directors for works *they* chose. Our museums are the creations of such private individuals as Morgan, Altman, Lillie Bliss, Mrs. Potter Palmer, Arensberg, the Cone sisters, the Spreckels family, Andrew and Paul Mellon, Kay Kimbell, and J. Paul Getty, and on down an ex-

traordinary list. Their private passions, their civic pride, and their desire to compete with each other by a kind of potlatch—outdoing one another with how much they could give away—these are the motives that built our institutions. I do not see much of this generosity these days. I suspect that this era of philanthropy by collectors is finished. It was already suffering before 1986; the loss of tax incentives for donors (well documented in the background papers) and the steep rise in art prices have made gifts and bequests much more costly. The drop in donations since 1986 has been dramatic, even drastic.

Attitudes are different, too. Today's newer art buyers seem to look at works of art as another speculative commodity. Their comprehension of the works of art, the kinds of satisfaction they take in owning and looking at them, their attention span—these rarely bear comparison with the great founder collectors of the past.

And I see so little active, knowledgeable new collecting of older art, whether Western or Oriental, that it is hard to imagine that we will have a new generation of philanthropists to add to museums' basic collections, even if tax laws change. With contemporary art, I am more upbeat. Our hope has to be that collectors of contemporary art who have formed bonds with museums are going to find ways to give or bequeath their collections. There have been some good examples set recently by the Meyerhoffers in Baltimore and the Sydney Lewises in Richmond, for example; and here in Boston, the great collections of Graham Gund and Stephen Paine have the potential to put the Museum of Fine Arts on the map of twentieth-century art. There are plenty of people out there who might respond to the force of good example on the part of other collectors. A big problem for museums, however, given the size of much contemporary art, is how to make space for it. I do not think that the only answer is building more and more galleries. More creativity on the part of the bigger museums in sharing works of art with smaller museums rather than warehousing them, taking on the management of collections and seeing to their widespread exhibition in other institutions, would have great appeal to potential donors and would give them an incentive to endow this kind of scheme.

Large traveling exhibitions are what museum directors seem to talk about most nowadays. When we are not doing deals for shows, we are complaining about them. The exhibition program has come to dominate the lives of museum staffs and to claim much of the attention and money for museum programs. Of course shows have had many important functions—recruiting a wider audience, fostering publications, teaching history of art to millions, and giving people a museum habit. One trouble, though, is that museums get hooked on the heady rush of income from exhibitions and acquire a kind of economic dependency on them. Another is that exhibitions have changed the audience's expectations about the purpose of a museum visit. The audience more and more comes to think of art as an event—if there is no show, why go to the museum? It is like a theater when the marquee is dark. The nonsensical thing, of course, is that museums often have in their permanent collections

works of art far more important than the works they are borrowing and promoting—the ones that are here today and gone tomorrow. Our visitors have also been conditioned by temporary exhibitions to expect a more linear, programmed experience—a story line embodied in the installation, reinforced by labels, and murmured into your ear by the director. This can open one avenue to understanding for the visitor, but it may close many others. We often see robot-like behavior by our visitors and disappointingly little learning of the really useful kind, the kind that gives you power to discover things for yourself.

I am convinced that our museums, in order to prosper, are going to have to find ways to refocus attention on permanent collections. We need to broaden the base of visitors, make our collections the prime attractions, and help visitors more generously to enjoy them. This ought to make a healthier museum economy that is freer from the fluctuations of attendance for temporary exhibitions. But *ideas* are needed for the use of our collections. There was never a time when we needed to refocus so sharply on the quality and usefulness of the visitor's experience and recognise that experience for what it is: our fundamental contribution to society. How to make that experience more inviting, more natural, more intelligible, more memorable—that subject is going to repay all the study we can put into it.

Summary of Discussion

Charles T. Clotfelter began by asking if there is an inevitable conflict between curators wanting specialized collections and the public wanting to view a variety of art.

Theodore E. Stebbins, Jr. responded that the public does not really care about “gaps” in collections. What seems most important is to make a visit to a museum a pleasurable and meaningful experience.

Martin Feldstein asked whether that is an uncontroversial position among museum directors and curators, that they should strengthen collections through specialization rather than diversification. He wondered whether a focus on specialization rather than broad education represented a shift in the role that museums have seen themselves playing in the community over a long period.

James N. Wood concurred with Stebbins's view for cases where the collection meets the demands of the community; in other cases, he said, museums need to acquire at least some basic examples. He emphasized that teaching art history should not be the most important goal of a museum, because there are many other ways for people to learn it. Rather, museums should teach people to become excited about art and artists, and that often can be achieved more effectively through in-depth presentation of a few great artists.

Jay E. Cantor went on to say that museums first developed in the United States when communities were isolated and a museum was one way to develop a civic identity. In today's more mobile society, art is accessible by highway and airplane, so it does not need to be concentrated in one place. He felt also that having some museums concentrate on certain artists or time periods was important, but such concentrations may not encourage return visits as much as broad-based collections do.

Peter Temin concurred that focusing on the fall in the cost of transportation was a more fruitful way to study the long-term evolution of museums than focusing on the recent sharp rise in the price of paintings.

Martin Shubik turned to the topic of museums' selling, or deaccessioning, art. He speculated that the great flow of art into museums since the end of the nineteenth century may have stopped because the supply of important art (by dead artists) in the hands of private collectors has been virtually exhausted. This would explain why market prices of art have risen so much.

John Hale said that he was "delightfully flabbergasted by the calm acceptance of the idea of deaccessioning at least up to a middling level" of quality. In England the government encouraged museums and galleries to support their operations by selling art, which led to a political backlash against the practice. Hale mentioned two other concerns about deaccessioning: first, that respecting the wishes of past donors is important to maintaining the confidence of new donors, and second, that it is hard to predict what art will be important in the future. He reported also on the activities of the Advisory Committee to the Government Art Collection in Britain, which he chairs. The committee comprises the directors of the leading British art museums, and it is responsible for purchasing art to be used in government buildings around the world. The committee had unanimously decided not to sell their excess art but to explore the possibility of permanent loans to other institutions in Britain.

Richard E. Oldenburg added that there is an important difference between museums controlled by private trustees, as in the United States, and those controlled by the government, as in Europe. Although private trustees might wrongly choose to sell art for their own institution's operating expenses, he was even more afraid that local governments could "find it extremely convenient to build a new hospital out of the collection and see nothing wrong with that," so he found it more important to defend barriers against deaccessioning in that context.

Roger G. Kennedy noted that this discussion had been about reallocating funds from the liquidation of assets to other purposes, but there is also the related issue of what institutions should hold what kinds of art. He stated that there will be more determinations by the broader community as to where assets will be allocated in the future than there have been in the past.

John Walsh agreed that the common pattern is museums' selling works of art "that no museum would or should buy." In other cases, museums sell art

that is outside the scope (for example, the time period) of the museum. The city museum in The Hague in Holland, however, has decided to "sell from the top of their collection" (Picasso, Monet) in a conscious attempt to shift the emphasis of the collection to contemporary art; this is a step that has not been taken by American museums.

Neil Rudenstine noted, however, that museums had recently purchased some works of art that could only have been afforded by selling very good works already held by those museums.

Marilyn Perry discussed the example of the Walker Museum in Minneapolis, which deaccessioned its founding donation in order to maintain its charter as a contemporary museum. She felt that two issues were raised by this sale: first, a museum's right to determine its collection policy, and second, whether storing art rather than selling it serves the public.

Cantor indicated that the speed with which the decision was made is also an issue, as the community might have chosen to retain the pictures. *Walsh* said that the paintings were offered to the Minneapolis Institute of Arts at a favorable price, but the Institute was unable to raise the necessary money.

Stebbins said that although the Walker's decision was consistent with their mission, he felt that no one was speaking for the people of the city or the state. *Harold M. Williams* responded that he was troubled by the idea that museums have that kind of responsibility to local citizens. By that logic, he said, if the Walker did not have the paintings, it should have an obligation to acquire them; in other words, it is not clear how the museum incurred an obligation to the city by the chance that it had those paintings.

Stebbins felt that Mr. Walker intended something when he founded the institution and that history should matter. *Kennedy* argued that the Walker heirs are directly engaged in managing the museum, and they fully participated in the decision to focus on contemporary work. Thus, the question here is not the obligation of the institution to the donors but rather to the local or even national community.

Hale returned to the more general issue of deaccessioning by expressing his fear that museum collections will be seen not as being held for posterity, but rather for financial convenience and personal taste. A view of museums as showplaces for "this year's model" could hurt the special relationship between the public and museums, and reduce donations.

Oldenburg concluded that a critical issue in deaccessioning is whether the work of art remains in the public domain or returns to private hands. When art prices were lower, it was easier to agree to sell the art to another museum. Today, museums feel compelled to sell art to private buyers in order to raise enough money to be able to purchase high quality art from private sellers.

Feldstein returned to a topic raised by *Walsh*, that of "sharing" art among museums. Noting that it might be more attractive to donors to know that their art would be on exhibit rather than spending a fair amount of time in store-rooms, *Feldstein* asked what the general attitude was toward either joint pur-

chases of works of art between two or more museums, or long-term lending from a collection.

Ashton Hawkins answered that the Metropolitan Museum of Art had experimented with both options. Their joint purchases "seemed not to be the wave of the future," and loans are essentially a short-term solution to storage problems. He concluded that most museums want to retain control over their collection and ultimately do with it what they think is in the best interest of the museum. *William H. Luers* noted that the Metropolitan has at any one time between five and ten thousand works of art on loan.

On a separate topic, *Richard N. Rosett* said his impression was that many great collections of art were given to museums before the income tax was instituted in the early twentieth century, and thus before there was any tax advantage to charitable contributions. In light of this history, he felt it was unclear why the recent reduction in the tax advantage of donating art (see the background paper by Fullerton, chap. 8 in this volume) was viewed as a crushing blow to donations.

Hawkins responded that most of the great art collections came into museums after World War I, when the income-tax rate, and thus the tax advantage to donations, was low. *Luers* responded also that one motivation for people to give large collections in the early days at the Metropolitan Museum of Art was that the giver was shaping the entire nature of the collection. He mentioned the John D. Rockefeller, Sr. gift to The Cloisters and the Nelson A. Rockefeller gift of primitive art as examples. Part of the problem today is that even a major gift to the Metropolitan would not shape any of their collections very much, except in a few areas such as Asian Art.

Rosemary Clarke addressed Walsh's remarks about the shift in the focus of the art market from dealers to auction houses. She felt there could be a disadvantage in the concentration of sales in a few auction houses rather than through many dealers.

Wood wondered whether the amount of loans being granted by auction houses had distorted the statistics of the so-called market value of art. *Cantor* responded that loans represented a very limited aspect of the market so they do not distort the overall statistics very much. In general, auction prices are a more reliable measure of market value than rumors about dealers' prices.

Feldstein mentioned studies that have compared the sale prices of the same work of art as it has come up to auction over long periods of time. The returns on holding works of art can be compared to the returns on securities. *Clarke* reported on a recent study of paintings reappearing in auctions from about 1650 up to 1985. The average real return after inflation was about 1.5 percent per year, less than the return on alternative financial assets. The comparison was essentially the same for the period after 1950.

