



BERGOSART CONSULT

01
23

Kerry James Marshall:
Past Times, 1997 (detail)
Acrylic and collage
on canvas, 275 x 399 cm
Sold for \$21 Mio. at
Sotheby's, New York,
May 16, 2018

For How Long Is the Truth True?

The artists with the biggest sales in 2022 were Andy Warhol, Claude Monet and Pablo Picasso. With little variance between them, the sum of their works' sales was just over \$500 million each. Jean-Michel Basquiat was still in second place the year before; his works had sold for no less than \$440 million. Experts are now wondering what might have caused his sales to shrink to half their value in the course of the last twelve months. How did Monet, who died in 1926, aggressively displace Basquiat, who died in 1988? Was it due to a relative scarcity of available works or was the appraisal of the much younger artist punished as an "exaggeration," like the shares of entrepreneur Elon Musk? We know that high, particularly stable market values signal authority in art as much as in other fields. Warhol, Monet and Picasso stand for their own unmistakable style. They have little in common other than "greatness," their singular position in the market. One can choose between them as if between three worlds. Significantly more than a hundred years ago, a difference in taste might have dictated the choice between Pharaonic Egypt, the Inca Empire, or the Kingdom of Benin. To a person who is not familiar with the art market, the numbers may suggest that a new "ruling class" is demonstrating and cementing its power with sales in the hundreds of millions. The courts, so to speak, that serve and represent this ruling apparatus are the auction houses, which understandably do not reveal the buyers' names, and the notably high-revenue galleries, which sometimes do not even display the names of the artists at major fairs and disclose prices only to customers who signal a genuine interest in buying. It may be that with the high prices, most recently at the historical auction of the Paul Allen collection, privileges are being enshrined. We can also see evidence of the simplified sociology of the art market in the fact that museums, with isolated exceptions such as the *Louvre Abu Dhabi* and the collections of the *Al Thani family*, have not been able to serve this market for some time. In November 2022, under the headline "Billionaires look set to be the gift that keeps on giving," *The Art Newspaper*, a leading voice of expert opinion in the visual arts world, expressed a suspicion that the price increase for the most sought-after works has been caused by an increase in the number of billionaires, which has risen from 275 in 1992 to today's 2,668. It's not just a matter of increased bidding competition, it also has to do with tax write-offs in the US, where the proceeds of a work sold at auction can be donated in lieu of a tax payment.

It is more profitable for selling collectors today to “give away” verifiably achieved record proceeds instead of a merely estimated work. The goodwill in the arts that we believed in and to which we have repeatedly appealed in this newsletter is no longer a steadfast reality in early 2023. There is a hierarchy that still permits the continued functioning of small auction houses, as well as the stupendous wealth of municipal collections and a more diverse range of artists than has ever existed. In the niche markets, however, it seems that one can only acquire art in the sense of beans and greens, while the catch of the big hunt and the distribution of bear pelt is left to consultants and executives at the biggest auction houses. They know the prices and margins very well. In 2022, *Christie's* and *Sotheby's* together achieved a quarter of the world market turnover with more than \$16.5 billion. *Ipsso facto*, we are faced with an art scene that currently seems primarily to serve a small elite. If we think of Bertolt Brecht's questions concerning “The seven gates of Thebes,” that elite may be indirectly living off the hardships of comparatively impecunious helpers and admirers. So, have we been too gullible? Well, we are a bank and, not unlike a good scientist, cannot but refer to the “complexity” of material reality. Despite the latest trends, there is no evidence of top-down rule in the arts. It has only established itself in small, “heroically” structured societies such as Iran, North Korea, under Putin or Xi Jinping, but not in Europe and the USA. If “top down” procedures still work relatively well in Western societies, it is because, or where, bragging generates revenue, and that revenue is fueled by tax laws, excellent advertising and social media. **It is well known that the competition of values in the US is crowned by the words “giving” and “pledging”.** At the same time, it has been recognized for about five years that living POC artists, currently led by Kerry James Marshall, have successfully entered the market and have also become very expensive. Ultimately, perhaps as soon as five years from now, famous collectors such as the Monet buyer Hasso Plattner, the Japanese Yusaku Maezawa, who bought works by Basquiat very expensively and quickly sold one of them again, or Larry Gagosian, who was the only one holding up his paddle at the auction of Warhol's great “Shot Sage Blue Marilyn” in 2022, will no longer be “on top.” For as recently as June 2018, the *Louvre* agreed, in exchange for a monetary sum, to allow Beyoncé and Jay Z to film a video called “Apeshit” in front of the “Mona Lisa” and the “Nike of Samothrace,” which received more than ten million clicks in the course of eight months. Suddenly, two of the most famous works of humanity were no longer solely owned by the *Louvre*. An exclusive entitlement of the educated middle class had somehow been annulled because two musical superstars had created a new stream with a brash form of “Appropriation Art.” So in the end, truth can take a completely different direction, as if in a fairy tale.

DR. THOMAS KELLEIN
Head of Art Consult
thomas.kellein@bergos.ch

This publication is for information and marketing purposes only. The provided information is not legally binding and neither constitutes a financial analysis, nor a sales prospectus, an offer for investment-
 transactions, an asset management mandate or an investment idea and does not substitute any legal,
 tax or financial advice.