Privatising Culture:
Aspects of Corporate Intervention in Contemporary Art and Art Institutions during the Reagan and Thatcher Decade

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ABSTRACT

This study provides an analysis of the growth of corporate art intervention in America and Britain during the Reagan-Thatcher era of the 1980s. The premise is that the factors governing business intervention into the art world are inseparable from the free-market enterprise culture and the government-specific policies deployed to promote it. After a general introduction, Chapter 2 investigates the concept of the state and its rôle in relation to the arts. The public perception of differences between the American and British arts funding systems is further explored in terms of the financing of American art museums, and the arts provision provided by the state before the 1980s is examined in the practices of the Arts Council of Great Britain and the National Endowment for the Arts. The public arts policies of the New Right, and in particular the use of tax deduction incentives, are analysed in Chapter 3. It also examine the host of measures implemented by the two governments to inject the principles and ethos of the free market into these public arts agencies, and to transform them into paragons of arts privatisation. The corporate takeover of art museums is the subject of Chapter 4. The crucial rôle played by the corporate élites who served on the boards of trustees of these institutions is investigated, together with the great influx of corporate capital into them. Chapter 5 gives an account of how corporations integrated themselves into the arts support system, by holding art exhibitions themselves, and by establishing branches of public art museums within corporate premises. Chapter 6, which concentrates on corporate art collections themselves, shows how these came to fulfil the dual function of private investment and public image-enhancing, how they sought and achieved validation and legitimation, how artists reacted to them, and how they succeeded in re-defining the meaning of cultural production. A conclusion summarises the various developments of corporate art intervention under the "casino economy" of the Reagan-Thatcher decade, and looks forward to possible directions ~~for~~ the future.

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LIST OF ABBREVIATIONS

ABSA	Association of Business Sponsorship for the Arts
ACGB	Arts Council of Great Britain
AVA	Awards in the Visual Arts
BCA	Business Committee for the Arts
BSIS	Business Sponsorship Incentive Scheme
CAS	Contemporary Arts Society
CEMA	Council for the Encouragement of Music and the Arts
CEO	Chief Executive Officer
FAP	Federal Art Project
IRS	Internal Revenue Service
MOMA	Museum of Modern Art, New York/Oxford
NACF	National Arts Collections Fund
NEA	National Endowment for the Arts
NEH	National Endowment for the Humanities
OAL	Office for the Arts and Libraries
OMB	Office of Management and Budget
SECCA	Southeastern Center for Contemporary Art
WPA	Works Progress Administration

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It takes art to make a company great.

— Philip Morris Companies, Inc.

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INTRODUCTION

With the Government giving less to Art and Education, somebody's got to give more. And that somebody is America's corporations.

— Chase Manhattan Bank, NA.[1]

A common feature of the Reagan era, this sort of advocacy advertising, designed to position the Chase Manhattan Bank in the public consciousness as an enlightened patron of the arts, is indicative of a wider historical phenomenon, that of the unprecedented expansion of business intervention into contemporary culture which characterised the decade of the 1980s under successive Reagan and Thatcher governments. Never before had corporate America and Britain exercised wealth, power and influence on such a scale in mobilising its resources to gain access to this particular domain, where business involvement had previously been thought of as inappropriate, if not completely alien.

Of course, corporations had in the past made contributions to art museums and other cultural organisations. Over the previous decade, while continuing in the generally passive role of being solicited for donations, businesses had also begun to become more active participants in the framing and shaping of the discourse of contemporary culture across the Atlantic. But unlike its earlier involvement, uneven in practice and limited in scope, corporate intervention in the 1980s was ubiquitous and all-embracing. There was not simply an incremental increase in quantity, but a fundamental qualitative shift.

During the 1980s corporate art collections were being set up with increasing frequency on both sides of the Atlantic, following the cradling years of the 1970s. Using its economic power, the modern corporation, armed with its own curators and art department, vigorously emulated the former prerogatives of public art museums and galleries by organizing and touring its own collection throughout the country and abroad, and by incorporating an art gallery or hosting a branch of a public museum within its corporate premises. Above all, corporations initiated contemporary art awards to reward living artists, which made them not only culturally highly visible, but also gave them the appearance of being the arbiters of society's taste. Their subversion is thus well advanced in every phase of contemporary art: in its production, dissemination and reception. In short, they have altered the cultural landscape.

This phenomenal growth and increasing power of the business sector in the cultural sphere under the Thatcher and Reagan regimes, with their proclaimed policy of advocating private patronage over public cultural funding, and the resulting subjection of cultural products to the force of the market place, is the subject of this study. Drawing specifically on contemporary art, I will argue, firstly, that the significant inroads that businesses made into the cultural arena in the 1980s were the direct effect of public policies. These, while not necessarily the precondition for the cultural mobilisation of businesses, were unquestionably the single most powerful facilitator.

Secondly, it will be argued that the underlying essence of this business intervention is by no means the expression of genuinely cultural aspirations in the traditional sense, despite the fact that companies generally project themselves as disinterested patrons of art. It is rather an extension of their power and political dominance in both American and British society.

Thirdly, this study makes an attempt to determine the impact of corporate intervention on contemporary art. Without claiming that my findings are in any way conclusive, I do believe that it is possible to put the legacy of the Reagan and Thatcher era into some sort of perspective following their departure from office, and to understand some of its central features.

Finally, the thesis will address the question of the extent to which the appropriation of contemporary art by the business sector, under a much reduced obligation to public accountability and scrutiny, has signified the transformation of corporate economic power into a cultural hegemony both in Britain and America.

1.1. A Comparative Study: Its Constraints and Possibilities

Throughout the eight years of my presidency, no alliance we had was stronger than the one between the United States and the United Kingdom.

— Ronald Reagan, *An American Life.*[2]

The United States and Great Britain are by no means unique among the industrial capitalist democracies of the late twentieth century in their commitment to minimalist government: that is, to reining back the growth of the public sector, to cutting direct taxes and to reducing the "shackles of government regulations" in order to free the economy so that it can function more efficiently and liberate the individual from an intrusive and overwhelming state bureaucracy. The choice of the two countries for comparison is not simply a research convenience. Were more nations included in this study, a more comprehensive picture of business cultural intervention in the global arena would certainly emerge. This, however, would mean that only a much smaller sample of companies in each country could be included, and a detailed scholarly investigation of significant features of specific developments would not be possible.

Since Winston Churchill first coined the phrase "a special relationship" between the two countries in 1946,[3] the concept has been subject to continuing academic debate.[4] The historical, cultural and linguistic ties between the two nations unquestionably give this choice of comparison advantages over any other pairing. But the Thatcher-Reagan *entente* is far more than a continuation of that "special relationship." Their abiding insistence that every aspect of the economy and of society must be organised around the market principle demonstrated their ideological commitment that capitalism was not only an efficient form of economic structuring, but also implied a morally superior model of governmental functions. The public policies of both administrations could not be more strikingly similar, and they have accordingly, since the mid-'80s, been a focus for comparative studies in a variety of disciplines within the social sciences.[5] Cultural production, however, has not been a subject for such comparative studies.

As far as the mechanisms of arts funding are concerned, alongside the French Ministry of Culture, the British arm's-length model, as represented by the former Arts Council of Great Britain, and the "United States model," that is almost synonymous with private philanthropy, have gained wide currency since the '80s as three distinct forms of institutional funding systems.[6] This discourse itself, of course, was a product of the cultural politics prevalent during the Thatcher-Reagan years, as one particular aspect of American arts patronage was overwhelmingly emphasised while others were consciously ignored. By comparing what had been generally perceived to be a dichotomy in arts support mechanisms, these assumptions about arts funding in general, and the British and American systems in particular, can be meaningfully investigated and discussed.

None of this implies that we can simply ignore the enormous differences in history and culture which separate Britain and the United States, not the least being the huge discrepancy between the size of their economies and geographies. In comparing corporate intervention in both countries, the focus is on why and how companies and their spokespersons (very often the chief executives/chairmen) entered the cultural arena and on what they did as social agents therein. The assumption that similar social processes and changes in corporate behaviour and public institutions in both countries can be reasonably investigated and evaluated is crucial to the analysis, and the disparity of their sizes is not. In other words, I am more concerned to analyse the ideologies and models of cultural management in the two countries, and not to make the kind of specific per capita comparisons or "scientific" statistical analyses which have proliferated over the past decades as social scientists have turned to this new area of study.[7]

There are two reasons for this selective approach. The first is the difficulty inherent in any cross-cultural and cross-national research. It is a formidable, if not impossible, task to make a "precise" comparison of public arts funding between America and Britain, if one is to take into account the various types of spending at a federal/central government, state/regional and local/local authority levels, and those indirect subsidies which operate through various tax laws. Even at the federal/central government level, one still runs into a mélange of expenditure which various governmental departments and quasi-governmental agencies channel into contemporary art. For example, in Britain the present Department of National Heritage, the Arts Council, the British Council, the Crafts Council and the Government Art Collection, and in America, the National Endowment for the Arts, the National Endowment for the Humanities, the Institute of Museum Services, to name but the most obvious ones, are all in one way or another related to and mediating the production and consumption of contemporary art.

Secondly, my strategy is based on pragmatic grounds. Most of the existing comparative statistical data were complied by social scientists who did not distinguish "contemporary art" as a specific category from other types of arts and thus have very limited applications here (here I will have to run the risk of generalisation). In particular data collected by certain arts agencies and researchers were gathered with either an explicit or implicit political agenda in mind.[8] For example, the data on corporate arts sponsorship collected by the Association of Business Sponsorship for the Arts in Britain or the Business Committee for the Arts in America have never been subjected to any rigorous empirical scrutiny, in particular the figures for the '60s or '70s, when the subject of arts sponsorship was still in its infancy. Moreover, they were, and still are, the only bodies which have a vested interest in researching into this area, and which provide the only available "authentic" data circulating in the popular press. The dilemma then is that to use their prepackaged, and very often incomplete, information, is to acknowledge its validity. It is not my aim to adopt and circulate a discourse laid down and developed by these bodies. To do so is inevitably to endorse the legitimacy of the material and the institutions which produced it.

The problem is that the significance of corporate art(s) intervention, and its history-making capacities derive, to a large extent, from its economic power, which unfortunately is not to be easily measured. This is partly because of the limited time and resources which any research project of this kind imposes. But even without this limitation, it is extremely problematic to arrive at a comprehensive picture of the actual sums of corporate money involved and how effectively it affected the market and the livelihood of artists. In contrast to their often insatiable desire for publicity, corporations, or their spokespersons, became reticent or secretive when it comes to the release of actual figures. The questions on arts expenditure in my own surveys not infrequently met with responses such as "confidential."

1.2. A Decade of Privatisation: The Question of Public and Private

The decade of the 1980s witnessed a fundamental political transformation in the United States and the United Kingdom. After Margaret Thatcher and Ronald Reagan achieved political office in 1979 and 1981 respectively, they and their allies robustly advocated the doctrine of free enterprise throughout their successive terms of office, pushing the political discourse firmly to the right. The postwar social democratic consensus of welfare-state capitalism in Britain, and to a lesser degree in America, which accepted and maintained collective public provision alongside the marketplace, was replaced by an aggressive advocacy of the so-called free market economy. The public policies and ideological commitment of Reagan and Thatcher were radical, not only because they significantly altered the role of the state in the political formations and social landscape in both countries, but also because they departed, in a fundamental way, from their predecessors within their own parties, which had publicly endorsed a steady improvement in social services in the 1960s. Limited government, deregulation, privatisation and enterprise culture, in its various forms and degrees, were the buzzwords of the day and the ideological staple diet of politics on both sides of the Atlantic.

The thrust of the Reagan-Thatcher public policy to substitute the market for government as the key economic and social institution, and to propagate the marketplace ethos of capitalism during their tenure, ran in parallel with equally cogent political action and social engagement by businesses in both countries.[9] The interrelationship between business and government, two of the three pillars of C. Wright Mills's American "power élite," is evident.[10] What is less clear is the extent to which the Reagan and Thatcher governments facilitated the rise of business power in both societies, or the way these two governments' policies, especially in the economic domain, were actually formulated and transformed by the business élites who oversaw the corporations, which, after all, is only a logical extension of the close interaction and intimate terms that the two regimes had with business.[11] To answer the latter question is really beyond the scope of this study, and the discussion that follows will therefore focus on the former. In particular their policies in the cultural sphere will be explored in terms of the discursive formation of the question of "public" and "private," and within that, the analysis will be confined largely to the issues surrounding "public" museums, especially art museums and galleries.

It may seem to be a little dubious in the first place to treat America as a nation of collective public cultural provision comparable to a country like Britain, where the whole network of national/local-authority museums and galleries is directly funded by the public purse. It is true that the origin of art museums in America was rooted in the private wealth of old families whose descendants now still sit on their boards of trustees and govern their affairs. The notion that American art museums are therefore "private" institutions is, however, problematic. Despite the magnitude of this private philanthropic tradition, the fact is that if this money had not been given away, most of it would have been taken away in tax. A brief review of the historical development of the top federal personal income tax rate in the United States (for which the wealthy art donors would be eligible) will clearly demonstrate this point (see Table 1-1). This top rate jumped from 15 to 67 percent at the time of the First World War, and fell back to 25 percent for a few years in the '20s, before rising to around 90 percent during and after the Second World War. To the extent that the majority of the money concerned is thus tax foregone, it should be considered as an indirect form of public subsidy. After all, it is each taxpayer that has to "chip in" to endorse the private decisions made by the wealthy patrons, either individuals or corporations.

While in the United States the concept of tax expenditure, revenues lost through various arts-related tax incentives or exemptions, has been debated for some time, in the trans-Atlantic conversion, the Thatcher government had never discussed the nature of this private philanthropy and the whole range of implications this would have had if carried out in full in Britain, not least because of its manifest social unfairness.[12] In their efforts to produce a political and social climate amenable to the enterprise culture, Thatcher and her allies hailed the American model as the only lifeboat on the horizon.

Consequently, the other way of looking at the so-called American tradition of "private support" is resoundingly and consciously silenced. This is quite clear from government publications and reports in the media, from the speeches of arts ministers, down to any arts development officers throughout the country, whose organisations had suffered from the "financial squeeze" of successive Tory governments.

Like most of the privatisations under the Thatcher régime, the promotion of privatisation itself depended in part on government intervention and subsidies, albeit in contradiction with free market ideology. The privatisation of culture was no exception. Despite the fact that the Conservative party had liberalised the tax regime for private donors (both individuals and corporations) much further and faster than the model they set out to emulate, the government established a Business Sponsorship Incentive Scheme (BSIS) in 1984 to hand out cash inducements for business sponsors. The detail of the scheme will be discussed in Chapter 3.1, and it is enough to state here that the most insidious and threatening aspect of the whole Thatcher project has been not only the blurring of the boundaries between public and private, and the reframing of the discourse of the debate, but the fact that the Tory government effectively used public money to enhance the prerogatives of private capital.

1.3. The Corporations and the Corporate Elite

A central premise of this study is that contemporary art, along with other cultural products, functions as a currency of both material and symbolic value for corporations, and in a different way, for their senior executives, in Western capitalist democracies of the late twentieth century. Although most of the empirical data in this study takes the company as the unit of analysis, corporations are not just abstract concepts, but commercial institutions run by men (and few women) with their distinctive social traits and aspirations. On the basis of this research, coupled with other findings, it is evident that the initiatives and leadership of the chief executive/chairman, or in the case of professional firms, the senior partner(s), is the single most important determinant in any form of corporate arts intervention.[13] These top executives, "an élite within an élite," in particular those overseeing large corporations, are often reported in the media as having great or even "mad" passions for art. Their close involvement in corporate arts ventures can not be conceptualized as purely incidental, but rather has to be understood as a locus of social distinction to which their élite status and class aspirations are anchored. Corporate intervention cannot accordingly be fully appraised without addressing both these interrelated elements.

The theory of "cultural capital" developed by the French sociologist Pierre Bourdieu is conceptually useful for understanding the system of taste and value, of which contemporary art is part, within the general structure of political, economic and social formations. Bourdieu's main interest in the arts is arguably as a form of hegemonic ideology, in which the transmission of the arts from generation to generation serves to preserve and reproduce the dominant position of a dominant class. Cultural capital, his widely influential concept, thus serves as an "instrument of domination."[14]

Second, the social relations between economic capital and cultural capital, which he rigorously constructed and argued at the level of individuals, can be equally applied to economic entities such as companies without modification. Obviously, none of the companies in the study can venture into the cultural arena without a substantial accumulation of economical capital. In other words, the prospect for businesses to build up cultural capital, not unlike individuals, can only be realised through their economic power.

Nevertheless what Bourdieu means by "cultural capital" has to be modified, to some extent, and specifically delineated here in the analysis of corporate "taste." This is partly because when he speaks of "cultural capital," he sometimes means the knowledge of and familiarity with various artistic styles and products, while at other times he refers to the prestige and social value which are often conferred on those who have shown such competence. Nor are the ways in which he uses the term throughout his numerous works always consistent; sometimes it is interchangeable with other terms such as "symbolic capital" or "social capital."[15] As it is extremely difficult to conceptualise how a commercial company as an entity can master and demonstrate artistic competence in the way Bourdieu argues, this analysis will be more concerned with cultural capital in the second sense, namely the social status and value that accrue to a company engaged in cultural practices. Yet unlike the bourgeois/petit bourgeois in Bourdieu's analysis, the commercial enterprise in this study actually owns the means to materially appropriate the works of art, as evidenced by their enormous art collections. The term "cultural capital," thus, refers to this form of ownership as well as to the material appropriation of symbolic objects.

But there is an obvious limit in applying a Bourdieuian conceptual apparatus in our research. Although the material interests that companies and individual members of society own or control, and the material conditions under which they have to operate, may be similar, the concept of class structure and formation of which Bourdieu speaks, and which is fundamental to his reading, is not readily applicable to an understanding of the corporate domain. The dichotomised schema of the dominant and the dominated, and their associated cultural practices and social distinction, has thus limited use here in the analysis of companies.

This may have more to do with the state of social science research than with the impossibility of pursuing a similar line of inquiry. As companies had never entered into the cultural sphere as social agents in such a collectively dominant way as they did in the 1980s, they have yet to be seen as an object of inquiry in terms of their economic positions, social relations and cultural practices, except for a few case studies in which attempts have been made to explore exceptionally notorious instances.[16] Apparently when social scientists address the issue of market capacities of companies, and/or their domination, they limit their comments to the economic activities and positioning of companies. Interestingly enough, it is in journalistic writing that a possible interpretation of companies' social advancement in their arts endeavours is often perceived and articulated.

In contrast to the individual level, where the relationship between economic wealth and cultural capital is freely interchangeable, and where the accumulation of cultural capital serves specifically to reproduce and consolidate the position of the dominant class, the purpose of business' efforts to secure cultural capital is not as straightforward. One cannot simply speak of the domination of companies in the same way as one can of a ruling class. In other words, what is being dominated in the case of businesses is oblique. There are different levels and forms of domination. The economic strength of a company in the marketplace is a form of domination over other competitors, but companies are also dominant in our consumer society, in particular the multinationals, in the sense that they exert a profound influence over our living space, they influence the political process, and they circumscribe our individual choices.

It is in maintaining this influence that the accumulation of corporate cultural capital makes economic sense. The material and symbolic exchange in the case of corporate art collections is an obvious and direct one, but in most instances what companies acquire from their arts participation is quantitatively less tangible. Alert to their symbolic standing in people's (consumers') minds, companies utilise the arts, replete with their social implications, as another form of advertising or public-relations strategy, or to adopt the jargon of corporate culture, to go in for "niche marketing": a way of striving to gain an entrée into a more sophisticated social group through identifying with their specific tastes. It is in this locus of vested interests that the pursuit of cultural capital as a means to economic ends, or the conversion of cultural capital into an economic one, assumes its most transparent, and sometimes politically pernicious, form. The Philip Morris Companies, for instance, after some thirty years of cultivating and accumulating "cultural capital," was able to cash in by calling on eminent arts institutions to "lobby" on its behalf against anti-smoking legislation in 1994 in New York, a matter we are to deal with in more detail in Chapter 4.

If the application of the concept of "cultural capital" in corporate analysis is in need of further research and refinement, it is less so in the case of top executives. On this individual level, Bourdieu's concept of cultural capital provides a useful analytical tool, particularly in conjunction with Max Weber's notion of the status group, and contemporary writings by the American sociologist Paul DiMaggio and other scholars who have explored the subject of corporate élites in relation to the political economy of capitalism.[17]

These high-powered grey-suited men, to paraphrase DiMaggio's description of cultural capitalists, are the "cultural managerial capitalists."[18] They are not traditional capitalists in the sense that the majority of them do not make their wealth from industrial enterprises as those of the nineteenth century did. Unlike those earlier capitalists and their "inheritors," these chairmen/chief executives are professional managers who emerge through the so-called "managerial revolution."[19] Their power within the corporation is thus achieved through their corporate position rather than family lineage. But they are capitalists nevertheless in two senses. At the top of the corporate ladder, they are the managers of large capital, and thus in turn often have substantial vested interests in the company's profits such as "stock option" plans and year-end bonuses. Nor are the managerial interests necessarily distinguishable from ownership interests; profit maximisation is still the primary concern of these managers, according to various research findings.[20]

As family capitalism has declined in the twentieth century, so has the archetype of the nineteenth-century magnate art patrons, those cultural capitalist so capably analysed in DiMaggio's essay. The cadre of new cultural managerial capitalists referred to in this study is therefore the byproduct of an incomplete transformation of family capitalism to institutional capitalism and their uneasy coexistence in business community today.[21] People such as David Rockefeller, the grand persona of the tycoons of a bygone era, who, as chairman of the Chase Manhattan Bank, initiated a corporate art collection for the Bank in the United States in the '60s, represent therefore a transitional phase of this transformation.[22]

The majority of the chairmen/chief executives I am referring to do not enjoy family inheritance in the way Rockefeller did. But they are nevertheless the individuals who possess substantial volumes of different forms of capital in the terms of Bourdieu's analysis. Despite the relative availability of universal higher education since the Second World War in Britain and the United States, and despite a number of "up-from-nowhere" achievers, the world of top corporate management continues to be dominated by an economically privileged, and thereby socially and educationally prominent, class in both countries.[23] These executives, more often than not, come from an upper-class background and have been educated in public schools and the Universities of Oxford and Cambridge in Britain, or their counterparts in America, leading preparatory schools and Ivy League Universities. They share with each other the directorships of various corporations; they are not only active in business associations and exclusive social clubs, but also the trustees of charitable and cultural institutions throughout the country.[24] In other words, like those earlier entrepreneurs, the corporate élites strive to maintain and consolidate their dominant position and status within the corporate and social life through an intricate web of economic/social networks and relationships. Engaging the companies they oversee in the arts and in cultural activities is part and parcel of this strategy.

This raises the whole question of social status and the values that artistic/cultural products signify in advanced capitalist society. Art has long been patronised by those with power and status in society, and artistic products have thus always functioned as a status symbol as well as objects with market value. To quote Paul DiMaggio: "they [cultural goods] are consumed for what they say about their consumers to themselves and to others, as inputs into the production of social relations and identities."[25] Although "status distinction," according to Max Weber, is not always linked to "class distinction," they are evidently identical in this instance.[26] This is particularly true in the sense that these corporate élites, through the mediation of the popular press, intentionally or unintentionally, have cultivated the image of being art patrons — of being late twentieth-century Medicis. They visit galleries, tour artists' studios and buy at the main auction houses, and all this on top of their already extremely demanding schedules. They do so as if it is a specific *style of life* in full public view, and above the shabby cut-and-thrust of the business world.

This phenomenon in which the business élites utilise their corporate location as an extension of their personal interest is not, of course, a mere speculation. An empirical study of the corporate giving economy of Minneapolis/St. Paul conducted by Joseph Galaskiewicz argues that it serves not only to improve the company's marketplace position, but also to create and maintain businessmen's position within their élite circles.[27] The universality of the situation has prompted Americans to coin a term for it: they call it "incorporated pocketbook." But within the hierarchical power structure of a corporation, this is taken as a given. It is not to be challenged, certainly not in public, if the chairman spends a couple of million pounds to refurbish his suite in accordance with his taste and style, as happened in the case of an American bank in London.[28] It is only, and very infrequently, to be challenged in such celebrated cases as that of Armand Hammer's art scandals in America, in which top executives were investigated in court in connection with their arts projects, where the true nature of their involvement received public exposure.[29]

1.4. Methodology

To draw any definitive picture of corporate intervention in contemporary art in the Reagan and Thatcher years is no easy task. Despite the fact that art historians have a long-standing interest in art patronage, few of them have seriously engaged with research in the patronage of contemporary art by public art agencies or corporations, not least because the study of patronage does not produce any popular monographs on "great" artists. The interests of the art historian have centred mainly on patronage in the more prestigious and safely distant periods in history, such as the Renaissance or the Low Countries in the seventeenth century. This, of course, reflects only the character of art history as a discipline and the institutional and ideological power of its establishment. Its practitioners, however "objective" they claim to be, have by and large engaged with "historical" analysis rather than with the more controversial "history" of the present.[30] Two recently completed theses within the University of London, for instance, one concerned with the institutional patronage of abstract art and the other with the New York art market, were part of this tradition.[31] While they developed the conventional themes of patronage and the art market in relation to a more recent time and place, they did not offer any systematic methods for dealing with what is my main concern here, namely the contemporary *living* situation.

The substantial time lag between contemporary art patronage and its acceptance into the discourse of art history as a "legitimate" area of study, or at least tolerance in the margins of its discipline is not the only problem here. As our research is concerned with the social process of institutional change and the social relations of patrons, the state of the social history of art is of paramount relevance to this study. Despite its theoretical advances over the past decades, the social history of art does not offer solid grounds for empirical work.[32]

The Social History of Art

The pioneering efforts of Arnold Hauser in the 1950s, among others, inspired by a changed view of art and social structures, received very reserved responses if not outright attacks.[33] It was not until the end of the 1960s that a change in the political climate encouraged a critique of the dominant culture and ideology within various disciplines and the new formation of cultural studies, that the social history of art was then able to break through, albeit in an incomplete manner, the resistance of the art historical establishment and create the necessary political space within academia for a different discourse.[34] The subsequent writings of T. J. Clark and others since the early 1970s have effectively argued for a critical social history of art, a history which takes into account "the connecting links between artistic form, the available systems of visual representation, the current theories of art, other ideologies, social classes and more general historical structures and processes."[35] But the main problem with the social history of art, according to Janet Wolff, is that "radical developments though they are in the context of traditional history and criticism," they are almost invariably critical readings and re-readings of *texts* and prioritize text over social relations and process.[36]

It is, nevertheless, curiously paradoxical that in the discourse of the social history of art, art historians have engaged so little with sociology, the so-called *science of society*,[37] in particular when one considers the success with which feminism and other critical literary theories have intervened in the various domains of art history over the last two decades or so. Such new methodologies have virtually reorganised the landscape of art history, or at least, art history in its most manifest institutional form, the university curriculum. A recent collection of essays on the methodology of art history, selected by Eric Fernie, director of the Courtauld Institute of Art in London,[38] appears to reflect this trajectory of the success and failure of interdisciplinary approaches.[39] Apart from its profound Eurocentrism verging on jingoism, the anthology did not include any recent writings illustrating a "valid" sociological approach to the subject, although it does contain an article by the feminist art historian Griselda Pollock.[40]

The Sociology of Art

This disciplinary apartheid surely is not just a matter of art history's self-imposed limits. For many social scientists, especially sociologists engaged with the so-called "sociology of the arts," the discourse articulated by art historians and other art related professionals is regarded with equal suspicion. For example, Rosanne Martorella, in her study *Corporate Art*, defines and clarifies what she means by "art" as if the notion of art were only art-historically validated: "I have avoided any judgments about aesthetic 'value' as established by the artistic community of curators, dealers, and critics."[41] Sociology as an academic discipline, as it is now, shows a strong tendency toward quantitative data gathering, on which grounds it claims legitimacy as a branch of the social sciences.[42]

The application of a quantitative approach to objects of profound symbolic significance is bound to be problematic, if not self-defeating. Martorella's work, despite being pioneering in an area directly related to this research, and in many ways informative in its classification of social interactions, remains insensitive to the very category of art she sets out to study. Other studies written by sociologists, such as Diana Crane's *The Transformation of the Avant-Garde*, share a similar indifference, albeit in a varying way, to the distinctiveness of art works as objects.[43] The great divide between art history on the one hand and sociology on the other can be summed up by Raymond Williams's comment in a different situation: "What at least came through, theoretically, in the significant new keywords of 'culture' and 'society,' was the now familiar model: of the arts on the one hand, the social structure on the other, with the assumption of significant relations between them."[44] What constitutes the significant relations, however, is still an open question and a continuing site of contestation.

In contrast to this great divide, the artist Hans Haacke has been engaged in an incisive and concerted critique of corporate appropriation of the arts since the mid-'70s. Interested in the power which corporations exercise in the art world, Haacke has taken a determined stand against the bodies whose intervention in the art world he considers, in his own terms, as "social grease" — a public relations exercise to distract attention away from their less desirable activities.[45] Interestingly enough, in studying the power structure in contemporary art world, Haacke uses methods which resemble those of social scientists, such as *John Weber Gallery Visitors' Profile 1* in 1972.[46] While this is not to say that his methods can serve as a model for this study (after all, he did those pieces as art works, rather than being consciously engaged with a sociological inquiry), his contribution should nevertheless be recognised as valuable and stimulating.

An Interdisciplinary Approach

It is because of my aim "to think the present historically,"[47] and the questions which arise from this, that it has been necessary to employ methods not available to orthodox art historians. The choice of an interdisciplinary approach is also necessitated by the field covered by the enquiry. As mentioned earlier, there is hardly any research by art historians for this study to build upon. Nor are studies carried out by scholars in the social sciences such as cultural economists, sociologists and political scientists specifically relevant to this research. Although these scholars have developed a sustained interest in arts patronage since the mid-'60s, understandably the research undertaken heretofore has examined the arts as a whole, rarely differentiating the visual arts from other artistic disciplines. Nor have any previous studies investigated the interrelationship between public and corporate funding in the context of contemporary art.

Moreover, the field of inquiry is huge. The number of corporate art collections is vast, totalling more than 1000 in both countries, not to mention the huge quantity of corporate-sponsored art exhibitions in the previous decade, which were generally one-off and are particularly difficult to evaluate. As a result of the dearth of primary sources, I have had to adopt an empirical approach to this topic, both quantitative and qualitative. I conducted two questionnaire surveys, one on corporate art collections and the other on corporate sponsorship. Their aim is to allow me to draw up a large statistical data set with which to investigate the scale and patterns of corporate art(s) intervention. (For information on the questionnaire methodology and details, see Appendices 1 and 2.)

In addition, to remedy those aspects of the study which appear to defy simple quantification, I conducted detailed and searching interviews with various people involved in the corporate art enterprise, including senior managers, corporate curators, art consultants, museum professionals and staff from the public funding sector in both countries. I also paid visits to corporate arts collections, exhibitions and galleries in New York and Washington D.C., and in London and the South-East in Britain. (For lists of persons interviewed, venues and exhibitions visited, see Appendix 3.) To determine the extent to which the observations made in New York and Washington D.C. can be applied to other cities in the United States would require further investigation, but I believe that the phenomenon in these two cities is highly representative, given that New York is a metropolitan city and Washington D.C. has a more intimate character. The corporate art collections in Britain, except those in Scotland, are fairly concentrated in London and the South-East. As I visited virtually all of them, except in a few cases where access was denied, presenting a comprehensive picture of British companies was somewhat less of a problem.

No doubt art historians will be dismayed that statistical data occupy the space they do in this study, and specialists in social sciences will find much with which to take issue. However, risks have to be taken if the study of art history is to be a dynamic discipline. It is towards this end that the present study is offered as a modest contribution to a new and essentially unexplored area of enquiry. Whether it is to be art historical or sociological is less a concern, for as Janet Wolff puts it:

> We are now in an excellent position to pursue the study of culture within disciplines and on the margins of disciplines, as well as in the newly cleared space of interdisciplinary studies.[48]

The structure of the present study is largely chronological and proceeds, wherever possible, from the general to the particular. Chapter 2 sets out some preliminary theoretical considerations regarding the relationship between the state and the arts, in which the nature of state power in relation to the arts, and the public arts agencies along with their bureaucrats, are explored. It also attempts to provide some account of public arts funding in America and Britain before the 1980s by examining art museums in terms of their public and/or private status and their funding mechanisms; it reviews the cultural provision provided by the Arts Council of Great Britain and the National Endowment for the Arts as a historical background to an understanding of the changes that took place in the '80s. Chapter 3 examines the shifts in public art funding brought about by the Reagan and Thatcher administrations. It gives an account of the changes in public policy as a whole before focusing specifically on those within the Arts Council and the Arts Endowment. It also draws attention to the two organisations, the Business Committee for the Arts in America and the Association of Business Sponsorship of the Arts in Britain, established specifically by business to promote and champion their involvement in the arts.

The next three chapters discuss at length the way in which corporations intervened in contemporary art in the two countries in the course of the '80s. Chapter 4 concentrates on the often delicate interface between art museums and corporations. It analyses firstly how and in what ways high-profile corporate businessmen came to serve on the boards of art museums, examining in particular the trustee boards of the Whitney Museum of American Art in America, and the Tate Gallery in Britain. It then investigates the effects that corporate art sponsorship has had on the art institutions, and the extent to which these can be seen as having been appropriated by business as public relations agencies. Chapter 5 looks at the ways in which corporations attempted to integrate themselves into the support-system infrastructure of the art world itself: by emulating what used to be the prerogative of art museums, holding art exhibitions, establishing art galleries, and in some instances even hosting branches of public art museums within their corporate premises.

Chapter 6 investigates the corporate art collections that businesses have built up on both sides of the Atlantic, analyses how that ownership is used to serve business interests, the extent to which it has affected the reception and interpretation of contemporary art, and how it has negotiated a new relationship between corporate patrons and the artists themselves.

Attention is drawn to the fact that in Britain in particular, art awards organised and sponsored by corporations proliferated in the '80s, partly as a reaction to intensifying competition between sponsors, and partly as a concerted effort to break down the resistance of the British media to crediting their sponsorship and giving them the publicity they sought. Like sponsorship, arts awards with glittering ceremonies offer the sponsor high-profile entertainment opportunities which attract a plethora of social luminaries. The Prudential Arts Awards ceremony , for instance, which offers cash prizes amounting to £250,000, the largest in the country, was even transmitted live on television. Known in the field as "designer sponsorship," art awards guarantee maximum publicity for corporate money by inextricably intermeshing the company's name into the title. It becomes, for example, impossible to write about the John Player Portrait Award at the National Portrait Gallery without mentioning the name of the tobacco brand.

Unlike sponsorship, however, corporate awards do not function by association, and the reputation of arts organisations does not necessarily rub off onto the image of the sponsor. They are found to function rather by extending their aggressive tentacles right into the heart of the arts reward system. Corporations are no longer "partners" of centres of artistic excellence; by placing themselves squarely in the spotlight, they become themselves centres of excellence. Taking advantage of the fact that they are in a position to reward artistic endeavour, corporations are seen to transform themselves into the taste arbiters of contemporary culture in Britain. Limitations of space preclude further analysis of this wider and unprecedented cultural phenomenon.

Chapter 7 gives the opportunity of looking both backwards and forwards. It brings together the main threads of the arguments advanced in the previous chapters, and by reviewing developments in corporate involvement in contemporary art in the '90s, it allows one to anticipate how the momentum acquired by the privatising of culture will carry it forward into the next millennium.

NOTES

1. It appeared in a special advertising supplement, "American Business and the Arts," *Forbes*, 27 October 1986 and elsewhere.

2. Ronald Reagan, *An American Life* (New York: Hutchinson, 1990).

3. Tim Hames, "The Special Relationship," in Andrew Adonis and Tim Hames, eds., *A Conservative Revolution? The Thatcher-Reagan Decade in Perspective* (Manchester and New York: Manchester University Press, 1994), p. 116.

4. For example, R. Manderson-Jones, *The Special Relationship* (London: Weidenfeld & Nicholson, 1972), and W. Louis and H. Bull, eds., *The Special Relationship* (Oxford: Clarendon, 1986).

5. For example, Elizabeth A. Roistacher, "A Tale of Two Conservatives: Housing Policy under Reagan and Thatcher," *Journal of the American Planning Association*, 50, Autumn 1984, pp. 485-92; Joel Krieger, *Reagan, Thatcher, and the Politics of Decline* (Cambridge: Polity Press, 1986); Kenneth Hoover and Raymond Plant, *Conservative Capitalism in Britain and the United States* (London and New York: Routledge, 1989); Andrew Adonis and Tim Hames, eds., *A Conservative Revolution?, op. cit.*, and Paul Pierson, *Dismantling the Welfare State?: Reagan, Thatcher, and the Politics of Retrenchment* (Cambridge: Cambridge University Press, 1994).

6. Robert Stewart, *The Arts: Politics, Power, and the Purse* (London: Arts Council of Great Britain, 1987). With the establishment of the Department of National Heritage (in charge of arts, sport, tourism, national heritage, the film industry and the Millennium Fund) in 1992, the British funding mechanism has on the one hand moved toward a centralised government agency like the French Ministry of Culture, but on the other hand, the Arts Council of Great Britain (which was renamed as the Arts Council of England on 1st April 1994) remains operative on the presumed principle of "arm's length" from government.

7. A list of selected bibliography of such comparative studies on arts policy published in English over the last few decades can be found in J. Mark Davidson Schuster, "Making Compromises to Make Comparisons in Cross-National Arts Policy Research," *Journal of Cultural Economics*, 11(2), 1987, pp. 29-34.

8. *Ibid.* ; see also a later version, "The Search for International Models: Results from Recent Comparative Research in Arts Policy," in Milton C. Cummings and J. Mark Davidson Schuster, eds., *Who's to Pay for the Arts* (New York: American Council for the Arts, 1989), pp. 15-41.

9. Michael Useem, *The Inner Circle: Large Corporations and the Rise of Business Political Activity in the United States and United Kingdom* (New York and Oxford: Oxford University Press, 1984); David Vogel, *Fluctuating Fortunes: The Political Power of Business in America* (New York: Basic Books, 1989), and Jerome L. Himmelstein, *To*

the Right: The Transformation of American Conservatism (Berkeley: University of California Press, 1990).

10. C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 1956), pp. 3-29.

11. J. Craig Jenkins and Craig M. Eckert, "The Corporate Elite, the New Conservative Policy Network, and Reaganomics," *Critical Sociology*, 16(2-3), Summer-Fall 1989, pp. 121-44, and J. Craig Jenkins and Teri Shumate, "Cowboy Capitalists and the Rise of the 'New Right': An Analysis of Contributors to Conservative Policy Formation Organizations," *Social Problems*, 33(2), December 1985, pp. 130-45.

12. Alan Feld *et al.*, *Patrons Despite Themselves: Taxpayers and Arts Policy* (New York: New York University Press, 1983); Don Fullerton, "Tax Policy Toward Art Museums," working paper, National Bureau of Economic Research, 1990, reprinted in Martin Feldstein, ed., *The Economics of Art Museums* (Chicago and London: the University of Chicago Press, 1991), pp. 195-235. For detailed discussion, see Chapter 3.1.

13. Michael Useem and Stephen I. Kutner, "Corporate Contributions to Culture and the Arts: The Organization of Giving and the Influence of the Chief Executive Officer and of Other Firms on Company Contributions in Massachusetts," in Paul J. DiMaggio, ed., *Nonprofit Enterprise in the Arts* (New York and Oxford: Oxford University Press, 1986), pp. 93-112, and Rosanne Martorella, *Corporate Art* (New Brunswick and London: Rutgers University Press, 1990), pp. 137-40.

14. Pierre Bourdieu, *Distinction: A Social Critique of the Judgement of Taste*, trans. Richard Nice (London: Routledge & Kegan Paul, 1984), p. 228.

15. The point is also commented on by Tom Gretton, "Book Reviews," *The Oxford Art Journal*, 8(2), 1985, p. 64, and Michèle Lamont and Annette Lareau, "Cultural Capital: Allusions, Gaps and Glissandos in Recent Theoretical Developments," *Sociological Theory*, 6, Fall 1988, pp. 153-68.

16. Such as James Sloan Allen, *The Romance of Commerce and Culture* (Chicago: University of Chicago Press, 1983).

17. The study of the formation of business élites as a capitalist class and their social relations and networks date back to C. Wright Mills, *op. cit.* Subsequent research, as the notion of "managerial revolution" gained wide currency, has concentrated on the assessments of the character and significance of the separation of ownership and control within the corporation prescribed by "managerialism." Scholars have been divided as to the extent to which the new breed of managers pursues different objectives from the old category of propertied owners; see John Scott, *Corporations, Classes and Capitalism* (London: Hutchinson, 1979); Michael Useem, "The Inner Group of the American Capitalist Class," *Social Problems*, 25, 1978, pp. 225-40; "Studying the Corporations and the Corporate Elite," *The American Sociologist*, 14, 1979, pp. 97-107; "Corporations and the Corporate Elite," *Annual Review of Sociology*, 6, 1980, pp. 41-77, and Maurice Zeitlin, "Corporate Ownership and Control: the Large Corporation and the Capitalist Class," in *The Large Corporation and Contemporary Classes* (New Brunswick, NJ:

Rutgers University Press, 1989), pp. 3-60.

18. Paul DiMaggio, "Cultural Entrepreneurship in Nineteenth-Century Boston: the Creation of an Organizational Base for High Culture in America," *Media, Culture and Society*, 4, 1982, p. 35.

19. Adolf A. Berle and Gardiner C. Means, *The Modern Corporation and Private Property*, revised edition (first published in 1932) (New York: Harcourt, Brace & World, 1967).

20. Michael Useem, "Corporations and the Corporate Elite," *art. cit.*, pp. 49-50.

21. Michael Useem argued there were three stages of capitalism: family capitalism, managerial capitalism and institutional capitalism, in terms of organisation and ownership of the commercial enterprise. Family capitalism arose in the latter half of the nineteenth century and has been gradually replaced since the turn of this century by what has come to be known as the "managerial revolution," in which "the priorities of the firm come to take precedence over the priorities of the founding family." These two organizational principles are now joined by, and in part displaced by, what Useem describes as "institutional capitalism," in which the transcorporate networks of ownership and directorships are the engine for change. According to him, "All three simultaneously structure the ways in which business attempts to shape its environment;" see *The Inner Circle*, *op. cit.*, pp. 175-92.

22. For a discussion of David Rockefeller's power in America, see Thomas R. Dye, *Who's Running America?: The Conservative Years* (Englewood Cliffs: Prentice-Hall, Inc., 1986), pp. 176-81.

23. Philip Stanworth and Anthony Giddens, "An Economic Elite: a Demographic Profile of Company Chairman," in Philip Stanworth and Anthony Giddens, *Elites And Power in British Society* (Cambridge: Cambridge University Press, 1974), pp. 81-101; Richard Whitley, "The City and Industry: the Directors of Large Companies, their Characteristics and Connections," *ibid.*, pp. 65-80, and Michael Useem, "Pathways to Top Corporate Management," *American Sociological Review*, 51, 1986, pp. 184-200.

24. Useem, *The Inner Circle*, *op. cit*; see also "The Social Organizations of the American Business Elites and Participation of Corporation Directors in the Governance of American Institutions," *American Sociological Review*, 44, 1979, pp. 553-72, and "Classwide Rationality in the Politics of Managers and Directors in Large Corporations in the United States and Great Britain," *Administrative Science Quarterly*, 27, 1982, pp. 199-226.

25. Paul DiMaggio, "Social Structure, Institutions, and Cultural Goods: The Case of the United States," in Pierre Bourdieu and James S. Coleman, eds., *Social Theory for a Changing Society* (Boulder: Westview Press, and New York: Russell Sage Foundation, 1991), p. 133.

26. Max Weber, "Class, Status, and Party," *Economy and Society*, vol. 2, edited by Guenther Roth and Claus Wittich (Berkeley and London: University of California Press, 1978), pp. 926-40.

27. Joseph Galaskiewicz, *Social Organization of an Urban Grants Economy: A Study of Business Philanthropy and Nonprofit Organizations* (Orlando, Fl: Academic Press, 1985).

28. In a published version, Sir Nicholas Goodison, the chairman of TSB Group, stated: "I believe a sense of *style* is important in an office, both for visitors and for staff. Most of us live most of our lives at work... When I arrived as chairman in this office in January 1989, I knew that I could not welcome high-powered visitors either from the U.K. or from overseas without feeling embarrassed. The entrance hall looked like a badly designed cinema foyer..." in "Art is Life," *Arts Review*, May 1992, p. 168.

29. "Hammer Museum Nailed by Lawsuits," *Art in America*, 77, July 1989; Suzanne Muchnic, "Hammer's Victory," *Artnews*, 89(9), November 1990, p. 47, and "Judge Allows Settlement in Armand Hammer Art Case," *Corporate Artnews*, 7(6), October 1990, p. 3.

30. It is, however, to run the danger of anachronism to claim that the study of Renaissance patronage in the 16th century or that of seventeenth-century Netherlands is part of the discipline of art history in its contemporary sense. All depends on the definition of what constitutes the category of history of art as a discipline. Eric Fernie, for example, states in the introduction to the recently published anthology of art history methods that Vasari (1511-74) "set out the ground rules for the history of art as a discipline that were to be followed for at least two centuries;" see Eric Fernie, ed., *Art History and its Methods: A Critical Anthology* (London: Phaidon Press, 1995), p. 11.

31. Margaret Garlake, *The Relationship between Institutional Patronage and Abstract Art in Britain, c. 1945- 1956*, unpublished University of London Ph.D. Thesis, 1988, and Deirdre Robson, *The Market for Modern Art in New York, 1940-1960: A Structural and Historical Analysis*, unpublished University of London Ph.D. Thesis, 1988.

32. The term "social history of art" is itself problematic insofar as it implies that "the social" somehow exists outside the proper terrain of the "history of art."

33. Arnold Hauser, *The Social History of Art* (London: Routledge & Kegan Paul, 1951); see also Michael R. Orwicz, "Critical Discourse in the Formation of a Social History of Art: Anglo-American response to Arnold Hauser," *The Oxford Art Journal*, 8(2), 1985, pp. 52-62.

34. For example, the Centre for Contemporary Cultural Studies at Birmingham was established in 1964, providing an institutional base for what was subsequently developed as cultural studies; see Cary Nelson *et al.*, "Cultural Studies: An Introduction," pp. 1-16, and Stuart Hall, "Cultural Studies and its Theoretical Legacies," in Lawrence Grossberg *et al.*, eds., *Cultural Studies* (London: Routledge and Kegan Paul, 1992), pp. 277-94.

35. T.J. Clark, "On the Social History of Art," in *The Image of the People* (London: Thames and Hudson, 1973), p. 12.

36. Janet Wolff, "Excess and Inhibition: Interdisciplinarity in the Study of Art," in Lawrence Grossberg *et al.*, eds., *Cultural Studies, op. cit.*, pp. 708-9. See also "Culture and Class Formation 1780-1860: the Visual Arts in Manchester and Leeds," *Quarterly*

Journal of Social Affairs, 3(4), 1987, pp. 285-98. It includes discussion on the state of sociology of the arts, social history, and art history in Britain.

37. Raymond Williams, *Keywords* (London: Fontana Press, 1983 edition), p.295.

38. The Courtauld Institute, for example, has produced many directors of the art establishment in Britain, such as the Tate Gallery (Nicholas Serota), National Gallery (Neil MacGregor), and the National Portrait Gallery (Dr. John Hayes), to name only the best known ones. Lucinda Bredin, "Who's Who in the Courtauld 'Mafia'?" *The Evening Standard*, 7 December 1992.

39. Eric Fernie, *ibid.* Although an anthology of this kind is a personal choice, it inevitably reflects the perspective of the institution and its potential practice, because the author holds a position of authority as its director.

40. It also includes Arnold Hauser's "The Philosophy of Art History," but in the commentary Fernie states that the impact of his *Social History of Art* was "short-lived;" Fernie, *ibid.*, p. 201.

41. Rosanne Martorella, *Corporate Art*, *op. cit.*, as in note 13 above, p. 4.

42. Vera L. Zolberg, *Constructing a Sociology of the Arts* (Cambridge: Cambridge University Press, 1990), pp. 42-47.

43. Diana Crane, *The Transformation of the Avant-Garde: The New York Art World, 1940-1985* (Chicago and London: the University of Chicago Press, 1987). For a brief review of Crane's work, see Janet Wolff, "Excess and Inhibition," *art. cit.*

44. Raymond Williams, *The Politics of Modernism* (London and New York: Verso, 1989), p. 165.

45. Hans Haacke's works related to the point in question include *Solomon R. Guggenheim Museum Board of Trustees* (1974); *On Social Grease* (1975); *Mobilization* (1975); *The Good Will Umbrella* (1976); *The Chase Advantage* (1976); *The Road to Profits is Paved with Culture* (1976); *Alcoa: We Can't Wait for Tomorrow* (1979); *Thank You, Paine Webber* (1979); *Der Pralinenmeister (The Chocolate Master)* (1981); *Weite and Vielfalt der Brigade Ludwig (Broadness and Diversity of the Ludwig Brigade)* (1984); *Mobil's Mixtures of Interest, Amusement, Raised Eyebrows, and Concern* (1985); *MetroMobiltan* (1985). For detailed discussion, see Hans Haacke, *Framing and Being Framed: 7 Works 1970-75* (Halifax: The Press of the Nova Scotia College of Art, and New York: New York University Press, 1975); "Broadness and Diversity of the Ludwig Brigade," *October*, 30, Fall 1984, pp. 9-16; Yvue-Alain Bois, D. Crimp and R. Krauss, "A Conversation with Hans Haacke," *October*, 30, 1984, pp. 24-48; Yvue-Alain Bois, "The Antidote," *October*, 39, 1986, pp. 128-44, and Brian Wallis, ed., *Hans Haacke: Unfinished Business* (New York: The New Museum of Contemporary Art, 1986).

46. Hans Haacke, *Framing and Being Framed*, *op. cit.*, pp. 13-36; see also Howard S. Becker and John Walton, "Social Science and the Work of Hans Haacke," *ibid.*, pp. 145-53.

47. It is Colin Leys' phrase; see *Politics in Britain: From Labourism to Thatcherism* (London and New York: Verso, 1989), p. 16.

48. Janet Wolff, "Excess and Inhibition," *art. cit.*, p. 716.

2

Public Arts Funding in the United States and the United Kingdom: Preliminary Theoretical and Historical Considerations

2.1 The State and the Arts

Central to this enquiry is the rôle of the state in relation to the arts in advanced capitalist democracies, even though our comparative study is historically located within the specific context of British and American governments. To differentiate between state and government here may seem to be pedantic in the first instance. The distinction, however, is in no sense automatically clear. Nor are the views of scholars on the meaning of these terms unanimous. This is tellingly illustrated by the absence of any comprehensive theory on the state in relationship to the arts, in stark contrast to the continuous popularity of studies pursued in terms of government and the arts.[1] While it is not feasible to offer any new theory of the state and the arts within the limits of this present study, I will attempt, instead, by reviewing the inadequacy of those analyses which have been carried out so far in the field, to explain why the state is crucially important to the issue in question, and indicate some possible ideas and approaches for future investigations.

The majority of the relevant work that has been produced in the past few decades has revolved around the topic of what is generally referred to as "arts and politics", or around the rôle and the machinery of government, in particular from the perspective of the administration of its arts/cultural agencies.[2] Much of this, in one way or another, has inevitably touched upon, or taken up, some aspects of the rôle and nature of the state vis-à-vis the arts. They are, however, inadequate in some crucial ways. The literature on arts and politics so far can, at the risk of generalising, be divided into two polarised camps. For those writing on art produced in capitalist democracies, unflagging attention has been devoted to the issue of censorship and its contrary concern, freedom of speech. By contrast, it is customary to place emphasis on the political control and repression of artistic production within totalitarian regimes, a term which has come to be applied very often, although not exclusively, to communist/socialist states.[3]

Arguably, this opposition is an ideological construction rooted in the cultural politics of the Cold War, especially the anti-communism of the McCarthy period on the domestic front in America. The confrontation between the two power blocs was waged not only in hard military terms, but also in ideological ones, of which artistic production was, *inter alia*, a part. What matters here is not so much the specificities of how communist states control artistic expression, but the set of starry-eyed assumptions on the relations between the state and the arts in the non-communist democracies, which the juxtaposition itself has revealed and helped to popularise.

It is often assumed that censorship is all-pervasive in totalitarian regimes, a truth too obvious to be seriously questioned. This truth, however, is not simply sought as a solid fact *per se*; rather, it is presented in such a way as to serve as a backdrop against which the freedom of capitalist democracies, especially in America, can be extolled. Artistic freedom is identified not only as the essence of Western democracy, but also as the proof of capitalism's superiority over communism. The problem is, if freedom in a capitalist society is no more than the absence of obvious restraint for those with power, then artistic freedom is no surer promise for a democratic polity. The promotion of the idea of free expression in a capitalist society thus largely obscures the real issue, namely that, even in a much vaunted "free society" such as America, the realities of artistic production and consumption are far from democratic.

In other words, if democracy is defined in Miliband's terms as "popular participation in the determination of policy and popular control over the conduct of affairs," then neither the participation nor the control of artistic endeavour in the countries covered by this study has much democratic credibility.[4] Regardless of whether they are the producers, managers or consumers of arts, the very people who participate in, and control, artistic production are drawn mostly from a relatively narrow segment of the country's population. The tendency to advocate artistic freedom in capitalist society as a universally desirable public good masks, therefore, a systematic indifference to the relation of power in operation within the art world. This neglect, or refusal, to engage the question of power has deeply coloured the debate on the arts and politics within the capitalist democracies, and this debate tends to focus upon the problem of censorship instead of re-locating the question within the broader context of the state and the arts.

Certainly, the matter of censorship is of crucial importance in relation to any discussion of art. A comprehensive coverage of the topic, however, is not possible here, and is, in any case, relatively well documented elsewhere.[5] Instead, the intention here is, by referring to only one crucial aspect of artistic control, to examine another set of separate but inter-related assumptions, intentionally or unintentionally confused in the arts-and-politics discourse. To speak of censorship in terms of what is not permissible within the law is to refer to just one specific function of the state — the legal monopoly of coercive force, through which the state clearly regulates and frames the grounds and rules for artistic production, defining what is inside and what is outside the law.

But the state also exercises ideological control in the sense of what Antonio Gramsci calls "the ethical state": "Every state is ethical in as much as one of its most important functions is to raise the great mass of the population to a particular cultural and moral level."[6] In essence, this ethical function of the state is not always achieved by well-defined governmental machinery. Rather, its salient feature is "to rule by consent," a crucial element of Gramsci's conception of hegemony.[7] It represents an on-going transformative process whereby the dominant section of society establishes its view of the world as "all-inclusive and universal," while the subordinate groups accept it as "common sense," convention or tradition.[8] In the cultural field, consent manifests itself in a variety of forms and contents, from what constitutes *our* national heritage to what is art and what is kitsch, to the very values which are held to be dear and beyond doubt in society. The hegemonic process, paradoxically, needs to look neutral and transparent, yet, as a process of "cultural socialisation," it is in reality tightly constructed and opaque.

Nowhere is this hegemonic process illustrated more clearly than in another juxtaposition of the art-and-politics discourse, that in which socialist realism and abstract art are set in contrast. Socialist realism, on the one hand, is often referred to as the official style of totalitarian regimes, which are portrayed as hostile to, and incompatible with, modern art.[9] Yet, in contrast, on the other hand, non-objective art after the Second World War on the other side of the Atlantic is reified as *avant-garde art*. In the United States in particular, abstract expressionism was lauded as the official art, and sent abroad for exhibitions as the quintessential American cultural ambassador.[10] Nor is the tendency less potent in Britain. For decades, generations of abstract art, in one form or another, such as the work of Ben Nicholson or Anish Kapoor, have dominated the prominent art galleries throughout the country, and especially so at London's Tate Gallery.

The issue at stake here is not whether or not one specific style is any more artistically competent or original than the other, but, rather, why the canonic position has come to be ascribed to one particular style or form instead of the other, and how this hegemonic process actually took place, and with what consequences. In other words, the answer is not to be found in artistic style itself, or the capacities of any single artist himself or herself, but in how power is exercised or combined in capitalist society to define and frame what is the *legitimate* and *authentic* cultural practice. This is not to suggest that any legitimate cultural practice is so dominant as to exclude all the others. To quote Miliband's remarks in a similar context: "... [the] competition should be so unequal as to give a crushing advantage to one side against the other."[11] The irony is this: if the dominant culture is seen to be tolerant of other practices, it thereby achieves its most effective political purpose of marginalising them at the same time.

With regard to the second relevant area of research literature, this may, for lack of a better term, be called the "government-and-the-arts" approach. Among the most typical publications are those produced by political scientists such as Kevin Mulcahy and Richard Swain, *Public Policy and the Art*; Mulcahy and Lawrence Mankin *et al.*, *Government and the Arts*; Milton Cummings and Richard Katz, *The Patron State: Government and the Arts in Europe, North America and Japan*, and Margaret Wyszomirski, *Congress and the Arts*, to name but a few.[12] There is no gainsaying the fact that government arts agencies are the most prominent actors in the formulation and implementation of public arts policies within the modern state. Studies of these agencies and their policies, legitimate concerns in their own right, have done much to record in historical terms the actual working of the institutional apparatus of the state, and to account for the structural frameworks of these political systems.

Another cohort of authors who have dealt with the topic are mainly, but not exclusively, arts administrators or arts-related professionals who were once part of these arts agencies. Drawing on their experience, they either comment on current arts and cultural affairs, or publish on the history of these institutions from an insider's perspective.[13] While the government-and-the-arts approach is relatively popular among social scientists in the United States, most British input is drawn from this second group. As most of these studies are autobiographical in nature, they offer even less conceptual space for theoretical engagement than the former approach.[14]

All the same, both approaches, for all their strength in empirical or historical work, are prone to become nothing more than case descriptions or explanations. This has much to do with the political conditions and social forces which have prompted such studies, especially in the United State, as well as the shifting focus and interest of the academic domain. It was not until the 1970s that arts (or culture) became a fashionable topic for social scientists.[15] The establishment in 1965 of the National Endowment for the Arts as a public arts agency within the state system, and its rapid expansion in the 1970s, undoubtedly gave a political edge to the question of how the issue of government and the arts should be posed and framed in the United States.[16] Yet for much of the past few decades, the Anglo-American academic marketplace of the social sciences has been largely shaped by positivism and empiricism, within whose parameters most work in political science and sociology is located.[17] The quest for scientific methodology as *the mode* of inquiry has too often, by definitional fiat, ruled out any rigorous conceptual work, privileging science's "representationality" over its theoretical and conceptual formation. Specifically, the concept of the state has received far less attention in political analysis than it deserves.[18]

It is therefore not surprising that scholars, in particular those who adopt the "government-and-the-arts" approach, commonly speak of "government" as the *state*, as if the two terms were interchangeable. But, as Miliband eloquently argues, government is only one aspect of the state system.[19] To equate state with government is to attribute a quite misleading meaning to both concepts. Inevitably this approach, as we have seen, centres around the administrative aspect of the state system, leaving other key issues either unposited or unquestioned. Above all, its marked deficiency is its inability to map out satisfactorily the distribution of power in capitalist societies, not the state monopoly of physical coercive force in the Weberian sense, but the symbolic and cultural power which is formally invested in these state arts institutions.[20]

As is often argued in the arts media, public arts agencies such as the National Endowment for the Arts or the Arts Council carry with them an "official seal of approval," a form of political power which is deemed to be far more effective than their limited financial allocations. This is because, as the reassuring platitude would have it, this stamp of approval serves, among other various functions, to secure other grants for arts organisations.[21] Yet, far from defining and explicating the nature of official ratification, most government-and-the-arts analyses have contented themselves merely with acknowledging its nebulous existence. It is therefore necessary to account for the nature of state power in the cultural sphere, to explore how it is exercised and by whom, through what means it is circulated, and over whom it seeks to exert influence. It is also indispensable to relate this power to other functions of the state also, and to integrate it into the analysis of political power in advanced capitalist societies, an area neglected even by those with a sustained interest in the issue of the state.[22] The full potential of the relation between the state and the arts can be realised only in studies, be they historical or sociological, that are sensitive to other forms of power, and to their relational distribution within a given society and its political system.

Alternatively, to put the question in an institutional context, what is proposed here is to posit a different set of questions when it comes to analysing public arts agencies and other semi-public art institutions. It is not sufficient to characterise these agencies in administrative terms, such as their budget growth or changes in grant giving. Nor is it analytically useful to de-politicise these agencies, as is generally advocated by the adherents of the so-called "arm's length principle" who argue that these institutions are independent of political "interference" and accordingly beyond the remit of political analysis. Rather, these agencies, as part of the political structure, not only speak in the name of the state, but also are the holders of state power on cultural matters, of which their imprimatur is merely a signifier. It is by locating these agencies within the configuration of political power — along with normative political theory about such notions as state autonomy or capacities — that their relations and interactions with other non-state social groups or organisations, whether commercial or non-profit making, can be fully accounted for.

Hence, the inter-relationship between these agencies, together with other semi-public institutions, and corporate economic power, is of considerable relevance in the context of this study. Some accounts have attempted to characterise these relations, but most of them remain descriptive and restrict their scope to funding patterns in so-called partnership situations, with the majority rarely going beyond political rhetoric to justify public arts expenditure.[23] Nothing conclusive has yet been suggested in the way of analysis.

This proves to be particularly inadequate considering the significant strides that business made into the cultural arena during the 1980s.[24] The phenomenon can not simply be explained away by invoking the euphemistic buzz phrase "the enlightened self-interest" of business. Instead, it has to be understood in terms of political power manifested in its varied forms within the modern state, of which cultural power is part, and the ways through which those manifestations are translated, transferred or transformed. This is to say that corporations, like their chief executives on an individual level, are already, by virtue of private wealth, in command of considerable power and influence in society. Their undertaking of cultural activities, often publicly endorsed by government, is unlikely to be anything but a confluence of private economic power and public cultural authority, with the prospect that the latter can in due course be transformed, at the right juncture, into political power, either explicitly or subtly. It is then relatively easy for businesses, especially the giant corporations, to manoeuvre this power to serve their own specific economic interests. While more systematic research is necessary in order to delineate exactly how these various forms of power are transformed and manipulated, the case of Philip Morris best exemplifies the point in question, when it in effect cashed in its arts support in 1994 while battling against the anti-smoking laws in New York City, a case to which we will return in detail in Chapter 4.

This leads to the related question of how the cultural power and authority of the state operate, and through what mechanisms state power and private capital interact and traffic back and forth. The prime instrument of state power in this area are public arts agencies. On the whole, these agencies are what one may call "the cultural gatekeepers" of the state. This certainly does not mean that they are cultural policemen for a monolithic official culture, a term very often loaded with derogatory connotations. Nor is this particular function of the agencies as monopolistic as those of the state in its use of violence and repressive force. But they are in fact the state's cultural gatekeepers in the sense that they are the agents of legitimising processes within, and for, the political system. They do not simply legitimise cultural products. They legitimise particular cultural products, particular modes of cultural practice, and particular sets of cultural assumptions. While the nature and process of legitimisation of any particular cultural order remain specific to each agency, nation and historical juncture, much of this is done, as often happens, in the name of pursuing "quality" or "excellence" in the arts, so as to leave these agencies appearing ideologically "neutral", and above all beyond politics.

Yet, by virtue of their being part of state bureaucracy, as indicated earlier, they are part also of the circuit of a political system, from whose framework they draw their authority and power. This is so notwithstanding the fact that these agencies have not so far come high on the political agenda, and thus arguably their power may not be as politically compelling and directly forceful as that of other branches within the state, such as, for example, the courts. For all that, their power and authority do in fact exist in two real senses. As the single national institution exclusively dedicated to the living arts/culture of the country, each is the most visible and authoritative voice in the land. In this regard, their authority is unquestioned and widely acknowledged.

Less easy to quantify is the political influence that these agencies may possess by virtue of the situational advantage of being located within a political framework. Their influence arises in the social structure of the political organisations themselves; that is to say, they are conveniently located and "networked" to have relatively easier access to the corridors of power than other institutions outside the governmental machinery. This is not to suggest that such bodies have any major impact over other areas of public policies, but that their bureaucrats, in common with those who staff all state agencies, are woven into an intricate network of social and political life by virtue of their occupation and social origins. As a senior manager of a multinational company pointed out, their arts sponsorship is not so much targeted toward any particular arts institution as toward other governmental agencies:

> For example, one of the permanent secretaries of one of the main departments — I don't know if it was him so much as his wife — was very involved in setting up a part of the Tate Gallery, down in Cornwall in St. Ives. We contributed a reasonable sum of money towards that. So obviously he is bound to be aware that we are supporting something his wife was interested in, isn't he?[25]

Far from being a trivial matter, this instance illustrates one of the possible channels through which different manifestations of power are connected. Precisely how this inner-circle networking affects the transformation of power and influence is a subject which requires further examination and elaboration, provided always that it is not too politically sensitive, or even dangerous, to explore it more closely.

This intermeshing of public authority and political power can be applied with equal force to *semi-public* arts institutions, that is, in this context of this study, to art museums and galleries. Obviously it is difficult to claim that American art museums fall within the state bureaucracy in anything like the same way as their British counterparts. Strictly speaking, as they stand at the moment, they do not. To some extent they are not subject to the same rigorous scrutiny of public accountability that state agencies, such as the National Endowment for the Arts, are, and not least because most of them are governed by self-perpetuating boards of trustees.

Yet, in the sense that they are prominent in the public domain and engaged with issues of public import, they do have public authority. Their social position as cultural institutions can hence be seen as comparable to other public arts agencies. After all, if museums such as the Museum of Modern Art or the Whitney Museum of American Art in New York had remained the private art clubs of the wealthy, as they had originally been in the late '20s and early '30s, they would not have commanded the prestige and power that they enjoy today in American society. To quote Carol Duncan: "... to work as ideologically effective institutions, they [American public art museums] required the status, authority, and prestige of public spaces."[26] And above all, had they not received public assistance in one form or another, they would not have expanded as they did — an issue to which we shall return later.

Nevertheless, however circuitous the route by which this authority and power travel, and however non-political these art institutions would like to claim to be, the political efficacy of art, and the arts in general, which is precisely the remit of these institutions, is a testimony to the point in question. The functions and influence which these bodies can perform and exert, either in their own right, or in the case of public arts agencies, also through the arts organisations they fund, are politically useful both within the nation state as well as abroad.[27] It is these functions, particularly in the context of this study, that prove to be most attractive to business. In particular, given the internationalisation of capital, multinationals have gone hand in hand with arts organisations on to the global stage, or to be more precise, into the global market.

The key link between institutions of art and commerce are arts bureaucrats, especially those high-ranking ones, both in state arts agencies and the semi-public institutions. Paraphrasing Fred Block, they may be described as "state cultural managers," or the "state élite" in Miliband's terms.[28] By virtue of occupying positions of governmental power, these administrative élites are the vital agents of state power. Accordingly, it is of importance to determine to what extent they act for the collective interests of the social "whole," as in the Hegelian view of the state, or merely for one particular interest or class, or if they are in fact, as Block argues, "self-interested maximisers, interested in maximising their power, prestige, and wealth," or indeed some combination of these.[29] In this context, their social origin and composition, as well as ideological inclination, are just as important an issue as their position and authority as formally defined by officialdom. Unfortunately, little is known about these people, except from those studies working in the élite framework which deals with state bureaucrats as a whole.[30]

To suggest that their social provenance is correlated to the issues in question is, however, not to assert that they are *necessarily* the representatives of the interests of either business or the upper class. From what is little known about these administrative élites, they are, as far as social classes are concerned, closer to the arts consumers or benefactors than to the general population. Although the extent to which this affects their outlook and specific operations is a subject for further investigation, it is not too far-fetched to propose that these élites tend to be more accommodating to the interest and demands of their patrons (in particular those with enormous economic power, whether individuals or corporations) than to those of what they often refer to as "the public". Nowhere was this tendency more clearly illustrated than in the battle to "reform" the Tax Reform Act of 1986, a case which will be discussed in detail later.[31] Suffice it to say here that these administrative élites persistently, and in the event successfully, advocated and lobbied for substantial tax benefits for wealthy art donors.

It is beyond question that some of these arts managers have in mind the best interests of the institutions they work for. The issue at stake is rather that, on the one hand, they are working within the perimeter of the private enterprise system, to whose assumptions and sometimes even mode of perception they are susceptible, and on the other, that they can only exercise their capacities and autonomy within the limits already prescribed by the prevailing political and economic framework, in which what Jean Meynaud calls "the bias of the system" is embedded.[32] The "bias" works to ensure that when the state intervenes, it will automatically act, to a greater or lesser extent, to the advantage of propertied interests. Thus, in the example mentioned above, the ethics of ownership need not be addressed. By contrast, it is the proprietorship of art works that is held to be the *only* key to the tax system when it comes to art collecting for the nation. To increase the *privileges* of those who own the art works is a surer means of guaranteeing art for the nation than to assert *the rights* of those who do not.

It is inevitably so because much of the debate on arts and public policies (or politics in general) has been about different ways of sanctifying the status quo, in which the established interests of wealthy individuals, or relative newcomers (corporations) to the art world, are given precedence over those of the general public; the debate has not been about moving beyond this to any radically different way of re-conceptualising, re-formulating and re-organising the system itself. This may sound like a counsel of despair, but unless we understand how the present system works, we are in the power of its mystique, and we will not have the conceptual equipment to analyse it lucidly.

2.2 Public funding for the Arts in the United Kingdom and the United States before the 1980s

State intervention in the production, dissemination and consumption of contemporary art can take several forms. Firstly, the training of artists through arts education; secondly, the subsidies and grants provided by public arts agencies; and finally, the public art museums and galleries, either wholly or partially maintained by the state, which exhibit, validate and collect contemporary arts works.[33] The importance of the state art education system, the art schools in Britain and university (fine) art departments in America, which replaced the function of the nineteenth-century *ateliers* and academies, is beyond doubt of critical consequence in the formation of artists as a socially constructed category.[34] It is, however, beyond the scope of this study to deal with this particular topic, not least because it is an area which has not proved to be attractive to corporate sponsors and is therefore deemed to be less relevant.[35]

As a result, the discussion that follows will concentrate on the historical background of art museums and public art agencies in both countries. It is certainly not my intention to present a comprehensive historical survey of these institutions as such. Their histories have already been documented in various studies.[36] Yet, in order to understand the profound changes that these organisations underwent during the 1980s, it is necessary to begin with some fundamental tendencies in the histories of these institutions. My focus will be on public patronage within the political formation of the modern state in both countries. This is not so much because there was no comparable royal patronage in America, but rather because my interest is primarily in the relationship between art and collective patronage in Western capitalist democracies.

The section will therefore review firstly the contemporaneous formation of public art museums and their social relations in both countries. In particular it is couched in terms of the problematics of the public and the private. This is to recognise that art museums, as significant segments of the art world, are contested sites in which the state and the major actors from business have constantly striven to establish their claim for, and display of, legitimacy and hegemony. It is also an arena where conceptual categories such as public/private used in the discourse about the whole set of political and socio-economic relations and processes are rigorously negotiated, framed and reframed.

In the second part, because it is the public art agencies rather than art museums that were established by government as state institutions to fulfil public arts policy, where the rôle of the state vis-à-vis the arts is most clearly manifested today, I will concentrate on the Arts Council of Great Britain and the National Endowment for the Arts for comparison, particularly their arts department and visual arts program respectively.[37] These two agencies, compared with art museums in general, are more concerned and directly involved with contemporary art. They also provide businesses with the public imprimatur which helps shape their involvement in the arts.

2.2.1. Art Museums in America and Britain: Private Origin and Public Practice

Your contribution is deductible for tax purposes.

— A slogan for fund raising.[38]

It is generally perceived that American art museums are "private enterprises" or in a more modified way, "private non-profit" institutions, while their British counterparts are "public" ones. Such a presumed contrast has become so widely articulated, particularly since the 1980s, that it is invariably presented as an established truth about art museums in the two countries. For instance, Perry T. Rathbone, Director Emeritus of the Boston Museum of Fine Arts, lamented: "That art museums have been almost *exclusively built and maintained by the private sector* is not sufficiently understood [italic added]."[39] In a similar manner, the millionaire developer and ex-chairman of the British Arts Council, Peter Palumbo, commented: "Our tax laws do not favour individual donations as much as they do in the United States, where the arts are funded *90 per cent by individuals* [italic added]."[40] These differences between art museums are also assumed to reflect a larger truth about the respective character of arts provision more broadly in Britain and the United States.

Without doubt the public-private dichotomy is not as neat as these propositions uncritically assume. For one thing, "public" and "private" are constructed categories rather than simple facts. Central to the conundrum of public and private is the fact that the boundary between the two is by no means a fixed one, but subject to on-going political, social, and ideological forces that help shape the discourse. For those advocates of enterprise culture, the "public," as far as arts funding is concerned, came to refer to one narrowly defined mechanism, namely the annual grants from the Treasury. The rise to prominence of this particular ideological construction was largely the product of the conservatives' efforts to privatise culture in the 1980s, in particular in Britain, as we shall discuss in detail in Chapter 3.

In *Ideology and Modern Culture*, Thompson argues that there are at least two basic meanings to this dichotomy in modern Western democracies.[41] Rooted in liberal political theory, "the public" refers to the domain of institutionalized political power, which is increasingly vested in the authority of a sovereign state. "Public" in this sense is synonymous with "state" or "state-related." In contrast to this, the private domain includes private economic activities and the domestic realm.

But "public" can also be negatively defined by its conventional opposition, "private." As Raymond Williams suggested, the primary sense of "private" in many different uses is one of *privilege*, "the limited access or participation."[42] In this second sense, "public" means "open" or "available to the public." It is this sense of "publicness" that constitutes one of the key criteria of Jürgen Habermas's utopian concept of the public sphere.[43] In principle the bourgeois public sphere is open to all private autonomous individuals for their rational discourse; to quote Habermas: "Access is guaranteed to all citizens."[44] In reality, however, entry to the public sphere is restricted to propertied and educated *men*. Although Habermas's ideal remains historically unattainable, his arguments concerning the public sphere have been very influential in discussions of the category of the "public" in various disciplines.

These two sets of meanings of public and private, while distinct in themselves, are by no means mutually exclusive. With the development of the constitutional state in the twentieth century, in tandem with the expanded mechanism of state intervention, especially in the post-World War II era, the public sector, as representing the collectivity of citizenship in a state, has come to assume a relatively greater degree of public accountability within contemporary democracies. By contrast, the private sector, as represented by business in a capitalist system, has the power and "right" to make hundreds of "private" vital decisions, without even a pretence at democracy.

Between this public/private divide, however, there exists another sector, the so-called third or non-profit sector in America, and the charity or the voluntary sector in Britain. A substantial element of collective policies and functions, which otherwise would have been vested in the authority of the state, have been carried out by those institutions, whose existence is closely bound up with the ambiguous nature of their being public and private at one and the same time.

Institutionally speaking, the majority of the so-called "private" art museums in America are located within this sector, while their British counterparts are organised by means of its extreme variant, the quangos (quasi autonomous non-governmental organisations). While most of their funds come from the taxpayer, and their staff are hired and paid according to civil service assessment criteria, these quangos, whether the Arts Council or the trustees of art galleries, claim that their operations are conducted on the "arm's-length principle," that is, they claim to be somehow outside politics because they do not have to answer directly to Parliament.[45] Be it in America or in Britain, these institutions are generally run by a board of unpaid trustees, who thereby enter the social space of the public institutions. It goes without saying that these people are politically and socially privileged, but they are presumed and expected to act only in their private capacity for the public interest. The Establishment bias of this arrangement is self-evident. This institutional system has added a whole level of complexity to the vexed question of the public and the private. It is against this background that we now turn to a review of art museums in America and Britain.

In general terms, the origin of the oldest established art museums in America and Britain lies in private initiatives rather than being the result of a clearly articulated public arts policy. The Boston Museum of Fine Art, the Metropolitan Museum of Art in New York, and Chicago's Arts Institute in the United States, or the British Museum, the National Gallery and the Tate Gallery in Britain, to name but a few, all owe their existence, to a large extent, to private funds or donations from the rich. The Boston Museum, for instance, was founded in 1870 by the Brahmin élite, while both the collection and the building of the Tate Gallery were given to the nation by Henry Tate towards the end of the last century.[46]

What distinguishes art museums in America from their British cousins, however, is their institutional arrangements. In the charters drawn up to establish art museums as charitable trusts, for which a board was legally accountable, American museums had followed English precedents of common law.[47] But unlike their English counterparts, whose boards of trustees have been appointed by higher state officials (earlier by the monarch and then by the Prime Minister), American museum boards are autonomous and self-perpetuating, regardless how much public support they receive. For instance, although the New York City government contributed $500,000 toward its construction and was responsible for its maintenance expenses, the Metropolitan Museum was, and still is, governed by a board of private citizens, over which the City has no real power.[48] This pattern of governing authority in American art museums was to become the norm in the years to come, except for those specifically funded by government.

This difference was, to a large extent, a reflection of the financial realities of art museums across the Atlantic. While the American museums were heavily reliant on "private" contributions, the British equivalents were explicitly funded from the public purse, once Government overcame the initial reluctance to accept the private gift of art collections and/or funds. This historical difference has shaped ever since the way in which art museums operate in the two countries. It is also on this ground that the contrast between the American "private" and the British "public" systems of arts funding is generally assumed to rest.

However, some social scientists have looked at public funding in a very different light. With the creation of the notion of "tax expenditure" in the United States in the 1960s, the concept and all its ramifications have been applied to the study of public arts funding. What this theory helped to highlight is the heretofore unaddressed issue of indirect public art subsidies through tax provisions, that is, tax foregone which otherwise would have had to be paid to the relevant tax authorities in the country concerned. More specifically, various tax rules affect museum funding directly and dramatically, although for the coherence of the study, I will not be able to discuss each of them in detail.

The major indirect subsidies for art museums in America are charitable contributions and gifts of property. The charitable contribution was first introduced for individuals in 1917[49] and for corporations in 1935. This measure allows the donor to deduct contributions from their taxable income and thus reduces their tax liability. While the subject will be analysed in the next chapter in connection with tax changes under the Reagan and Thatcher governments, it is necessary here to look in some detail at the issue of art donations to museums, not least because donated artworks have been such an indispensable part of museum life. In fact, it is a perfect illustration of "the bias of the system," in which the privilege of a rich and powerful minority, to exhume an unfashionable phrase, is protected by law over the rights of the public. It is to bring this into focus that the inclusion in this section of the Tax Reform Act of 1986, which otherwise could have been discussed in Chapter 4, can be justified.

Before the 1986 Act, when a donor gave gifts of appreciated property, art works in this case, to museums, he or she had "double tax incentives." In addition to being able to deduct its fair market value against personal ordinary income,[50] the donor paid no capital gains tax on the appreciation of the work, for which they would otherwise have been liable should they have chosen, instead, to sell it on the market and donate the cash.[51] For instance, consider the case of a donor in the highest (50 percent) tax rate bracket in the early 1980s, who had a painting worth $10,000, which cost him $5,000 at the time of purchase. To donate the painting to a museum would give him $6,000 tax saving ($5,000 from a charitable deduction at a 50 percent rate and further $1,000 from the dispensation from of capital gains tax at a 20 percent rate).[52] Therefore in this transaction, the donor actually donated $4,000, with the government, or more precisely the unknowing taxpayers, footing the bill of $6,000. The ratio between the donor's and public money became even more dramatic when between 1944 and 1963 the top federal income rate rose to more than 90 per cent (see Table 1.1).

The ramification of tax benefits is particularly telling, given the fact that gifts of property, and charitable contributions to arts/cultural institutions (a theme to which we shall return in Chapter 3), are highly concentrated within the higher tax bracket groups (see Table 2.1). It is primarily by taking advantage of such tax concessions that wealthy individuals, and later corporations, have channelled their art works to museums. It is thus not uncommon to think of art gifts to museums as a tax-avoidance strategy for the rich and for some corporations.[53] For instance, KPMG Peat Marwick, a New York-based accounting firm, recently donated 22 works of contemporary crafts to the Renwick Gallery of the National Museum of American Art in Washington D.C. The tax incentive was specifically mentioned as one of two reasons for the gift.[54] The institutionalisation of the economic interests of either élites or corporations in the cultural sphere is, of course, part and parcel of "the bias of the system." Still, what concerns us here is the extent to which a substantial amount of government subsidy, which has always been much larger than direct grants, is so subtly disguised.

The Tax Reform Act of 1986 not only removed the allowance for the appreciated portion of gifts, but also eliminated for some taxpayers the extra tax incentive provided by the dispensation from capital gains tax.[55] This measure, among others, was intended as a way to combat the fiscal crisis, and had nothing to do with the Reagan regime's perception of any unfairness in the tax system. (This is evident insofar as other tax changes under this administration had substantially benefited the better off rather than the poor.)[56] The ensuing "public" debate on the issue is of particular significance in this context. Not only does it exemplify particularly well the kind of power transaction that takes place between public agents and private interests, but it also demonstrates the way in which the hegemonic process operates, in which one particular discourse, framed by arts bureaucrats, resoundingly silences the other.

Framing is of course a conscious selection, a process which is both inclusive and exclusive. What is inclusive, in this case, is the decrease of arts donations, while what is exclusive is the lion's share of public expense in these gifts. Between 1986 and 1993, the year when the "double tax incentives" for art donors were restored, the tax changes had become so "politically hot" that even a cursory inspection of the entries in the *Art Index* reveals it: their repeal was the top legislative goal of museums and arts professionals alike.[57] During the period concerned, 18 articles out of a total 49 entries on the topic of American museum gifts and legacies were devoted to this issue.[58] All but one were in favour of restoring the pre-1986 tax benefits to donors because, it was reported, art museums across the country were as a result experiencing a dramatic decrease in art donations.[59] Nowhere is the issue of the effective subsidies from public money in the so-called "donations" ever raised.

The 1986 law was, to quote Edward Able, director of the American Association of Museums, "causing a haemorrhage of our cultural and artistic wealth."[60] Certainly the situation is not straightforward. As far as tax benefits are concerned, if the donor wished to do so, he or she could have sold the artworks and donated the cash to museums instead, a process which was, and still is, tax deductible. But in that case, the donor could lose some part of those "double tax incentives" given by the pre-1986 tax laws.[61] However, to maximise the benefits for the donor, the representative of the Association testified before Congress: "Rather than *seeking a benefit for the rich*, we are seeking to induce them to part with wealth" because "[m]useums serve public purposes, not private ones [italic added]."[62] By identifying the private agenda as identical to the public interest, these arts managers could then set about protecting what they deemed to be the treasures of the nation. For whose interests ultimately these people speak is curiously a question that remains to be answered.

The Mathematics of Indirect Public Subsidies

This necessitates some indication of how much public money has actually gone to the "private" art museums. But money, in the arts, is never an easy calculation. The relevant data available from other research are not a perfect measure, not least because they are not collected in terms of the particular focus and ambit of our present study.[63] I thus approach the matter on two levels. On the macro level, I attempt to show how much and/or what percentage of public money, both direct and indirect, constitutes the budgets of art museums in general. On a micro level, I aim to illustrate, through the case of the Metropolitan Museum of Art in New York (hereafter "the Met"), the range of indirect subsidies that have been effectively obscured or hidden from public view. By virtue of its high visibility, this museum, perhaps more than any other museum in America, is subject to rigorous public scrutiny, and information on its operations is therefore comparatively more readily available.

According to the Association of Art Museum Directors survey in 1989, which covered the operation of 155 art museums across the country in the previous year, Don Fullerton, Professor of Economics at the University of Virginia, reached an approximate figure of tax expenditure for art museums.[64]

	$ (million)	
Operating revenue (earned income)	122.4	14.0%
Private support (contributed income)	235.0	27.0%
Value of art donated	77.3	8.9%
Total federal support	95.7	11.0%
Total state and local support	168.7	19.3%
Endowment income	173.0	19.8%
Total	872.1	100.0

One third of the 35.9 percent deductible contributions to art museums (27.0 % private support and 8.9 % value of art donated combined), in other words, about 12 percent is tax expenditure. Another one third of the 19.8 per cent non-taxable endowment income (6.6 percent) is also part of taxpayers' money. Fullerton also mentioned another form of tax expenditure, namely the non-taxation of net operating revenues; this unfortunately could not be estimated because the costs related to the store, restaurant, parking or special events were not available. This part of the calculation aside, the two tax subsidies already mentioned alone constitute 18.6 percent of museum income (12 percent plus 6.6 percent). If we add this amount to other direct federal, state and local support, it brings the public subsidies to almost half of the museums' income.

This estimate is, however, very conservative, but unfortunately no other comparable data are available.[65] The main problem arises from the fact that the 33 percent top income tax rate in 1988 was almost at its lowest in this century (see Table 1.1). In contrast to a few decades ago, when the top rate was more than 90 percent (i.e. from 1944 to 1963), art gifts, or indeed any charitable contributions, represented a 90 percent tax benefit. When the tax rate dropped to 70 percent in the 1970s, the tax benefit for donors correspondingly decreased to 70 percent. When the tax rate further reduced to 33 percent in 1988, for any gifts the U.S. government contributed only 33 percent of the value. What this meant was, to quote the title of an article by Walker: "Generosity will cost more, IRS [Internal Revenue Service] tells donors."[66]

These figures take on added significance if we look at the decade of the establishment of art museums (see Table 2.2). More than half of them, or indeed of museums in general, were set up over the decades of the 1960s and 1970s, when the tax rates were comparatively higher. Certainly other factors might have contributed to this phenomenon, but given the close correlation between the wealthy and their preference for giving to the arts (culture), there are good reasons to argue that tax incentives would have been one of the most significant determinants.[67] Unfortunately, there is no systematic evidence to map out any definitive relationship between the two variables. When it comes to the issue of tax incentives and charitable giving, the discourse of the relation, in both America and Britain, is too often framed in terms of lower income tax inducing more giving. Reduction of personal taxation is often deemed to be "of material assistance to the arts by leaving more money in private hands."[68] The fact remains, ironically, that the lower the taxes, the lower the giving, simply because when the tax rate is low, it costs the donor so much more to give.[69]

How does indirect subsidy affect the financial configuration of art museums, in particular the Met? A look at its operating income in 1988-89 will show some of the issues discussed above in more detail (see Table 2.3). The City of New York contributed a substantial amount (21.5 percent) of the Museum's budget. This is of course not always typical for other museums in the City, such as the Museum of Modern Art or the Whitney Museum of American Art. But as public charities these museums are exempt from local property tax for the properties they own.[70] Neither these museums, nor the Met, have ever listed tax concessions given by government in their annual reports. As art museums hardly ever trade their properties on the market, any attempt to assess the real market value of their buildings and what tax expenditure might otherwise have been incurred remains hypothetical. An estimate for 1976 is the only figure available.[71] The total assessed value for the Met in that year was estimated at $42 million, including $15 million in land and $27 million in buildings.[72] The estimated property tax, or more precisely tax expenditure, for the Met was then $3.69 million.[73]

Another significant form of indirect subsidy includes about one third of the endowment (14.4 percent) and membership income (14.0 percent), i.e. 9.47 percent.[74] There are of course further public subsidies within the categories of Special Exhibitions and Gifts and Grants. However, these categories collapse various sources of income, rendering it difficult to determine the actual percentage of public money involved. In particular Gifts and Grants includes direct grants from federal and state government.

Generally speaking, art museums do not pay taxes on their income from admissions, parking lots, restaurants or gift shops.[75] But art museums are liable to Unrelated Business Income Taxes (UBIT) for activities not related to their not-for-profit mission. I have not been able to find any specific figure or calculations here, because compared with other tax incentives, UBIT is not a major one. Nevertheless, William H. Luer, President of the Met since 1986, implied, at a conference in 1989, that some changes proposed in the House of Representatives regarding UBIT could cost the Met as much as $1 million per year.[76]

Another form of indirect subsidy not listed in the Met's annual report was the value provided by the federal indemnification program (see Table 2.4). Under this program, the federal government agrees to act as an insurer for works of art that are loaned, often by other governments, as part of special exhibitions. As Charles T. Clotfelter argued, "Although there is virtually no budgetary cost of the program, it has substantial value to art museums in terms of reduced insurance costs."[77] Unfortunately there are no specific break-down data for the Met's share, which is certainly larger than most art museums in the United States.

Last but not least, of crucial importance to art museums is the value of donated art. Although the museum does list donated gifts in its annual report, understandably, no value is given to each individual piece. While no comprehensive data exist on the value of these objects, William Luers claimed that in the past "90 percent of our collection has come from gifts and bequests."[78] Later, to illustrate the importance of the tax benefits re-instituted by Congress, it was reported that $42.8 million worth of works of art were donated to the Museum in 1991, according to Ashton Hawkins, executive vice president and counsel to the trustees of the Met.[79]

Having threaded my way through the minefield of the measured, unmeasured, or even the unmeasurable, I do not claim to present a comprehensive or a conclusive portrait of the public/private components involved in museum funding. To close the information gap would require a study as long again as this one. But contrary to claims that American art museums are "private enterprises," I hope that I have at least shown that the hard revenue figures fundamentally contradict this assertion. At some juncture, this is of course much more than a question of mathematic calculation. The very practice of ambiguously positioning American art museums, being public and private at the one and same time, or at one time and not at another time, exemplifies the hegemonic process at work. Its very indetermination and elasticity allow for a wide range of possible manipulation.

Indeed, the ideological confusion over the nature of American art museums is remarkable. Even a national institution such as the National Gallery of Art in Washington D.C. cannot avoid such ambiguity. In a moderate vein, J. Carter Brown, director of the Gallery, referred to the buildings being "given from the private sector, as was and is all the art," despite the fact that the maintenance and all the fundamental underlying budget are provided by the federal government.[80] In a congratulatory mood, the Gallery was applauded as "a gift to the United States from Andrew W. Mellon" in 1941.[81] (The cost of this individual munificence has to be understood in relation to the fact that the top income rate in 1941 was 80 percent.)

In truth, the entitlement for tax exemption is not a right, but a *privilege* given by Congress for exempt institutions to serve the public interest. The point is made indisputably clear by the litigation involving the Barnes Foundation, a museum whose art collection was bequeathed by Albert Coombs Barnes in 1958. The trustees of the Foundation ran the collection in such a way as to exclude the general public. The Pennsylvania Supreme Court required public access to the Foundation collection if it were to enjoy its tax exempt status:

> If the Barnes Art Gallery is to be open only to a selected restricted few, it is not a public institution, and if it is not a public institution, the Foundation is not entitled to tax exemption as a public charity.[82]

As charitable corporations governed by boards of trustees, art museums do not have shareholders as such, but the boards are nonetheless responsible to their beneficiaries, that is, the public. In the *Rowan v. Pasadena Art Museum* case, the "shareholders" of museums are identified unambiguously:

> Members of the board of directors of the corporation [the museum] are undoubtedly fiduciaries, and as such are required to act in the highest good faith toward the beneficiary, i.e., the public...[83]

To the extent that American art museums have been publicly subsidised, their *raison d'être* is predicated on the public terrain where their final accountability inevitably resides, regardless of whether or not they are legally or officially part of the public sector. To claim that they are "private" institutions is, at best, misleading, not to say democratically questionable.

2.2.2. Public Arts Agencies in America and Britain

But democracy, in politics, is a slippery concept; it is no less problematic when it comes to be applied to the field of arts and culture. Even within Western democratic societies where public arts agencies may confidently be expected to cater for the needs of the population, it has not always proved so. As we have seen, these agencies and their bureaucrats are not autonomous; they operate inside, not outside, the existing political and economical framework of the modern state. These are nevertheless state institutions, such as the Arts Council of Great Britain (ACGB) and the National Endowment for the Arts (NEA), with a legislative mandate, or a Royal Charter in the case of the Arts Council, that have specific remits and objectives "to develop and improve the knowledge, understanding and practice of the arts," and "to increase the accessibility of the arts to the public..."[84]

These grand ideals reflect the origins of the Arts Council and the NEA, which historically took root in a period of dramatic expansion in the rôle of the state in both countries. The Arts Council, established in 1946, was part of the post-war welfare settlement in Britain, while the Endowment, set up by Congress in 1965, was the brainchild of the "Great Society" of the Lyndon Johnson adminstration in the new optimism of the 1960s. The twenty-year lapse between the two institutions, to be accounted for by different historical conditions, is less significant when compared to the strong resemblance that the Endowment bore to its British precedent.

Indeed, in the context of this study the genesis of the Arts Council is of special significance. Strictly speaking, the Arts Council was not the outcome of any clearly articulated public arts policy, but simply succeeded its wartime precursor, the Council for the Encouragement of Music and the Arts (CEMA), as its first Chairman John Maynard Keynes phrased it, "in a very English, informal, unostentatious," and "half-baked" way.[85] The CEMA, first initiated in 1939 by a grant of £25,000 from a private body, the American-based Pilgrim Trust, was also supported by the Board of Education which put up twice that amount in order to "prevent cultural deprivation on the home front" during the Second World War.[86] The driving force was the then secretary of the Trust and the vice-chairman of the CEMA, Dr. Thomas Jones, whose vision for the organisation was an extension of the "social service" to spread the arts.[87]

Despite its slogan, "the Best for the Most," the CEMA was unashamedly tilted toward the latter: the audience. Music travellers were appointed to give concerts in remote parts of the country in churches, factory canteens, air-raid shelters, village halls, hostels, army camps and rest centres. In the field of visual arts, the CEMA substantially funded the travelling exhibitions "Art for the People" in 1940, a series of shows initiated by William Emrys Williams in 1935 for touring industrial towns such as Swindon and Barnsley, when he was the secretary of the British Institute for Adult Education.[88] According to the Trust's annual report, the CEMA's art exhibitions attracted more than half a million visitors in their first two years.[89]

In 1942, a scheme called "Art for British Restaurants" was set up to provide paintings, lithographs and murals for improvised canteens where meals were served daily to civilian populations.[90] At an auxiliary level, the programme also served to give some employment for artists under wartime conditions. Some of the murals were carried out by established artists such as Duncan Grant, Graham Sutherland and John Piper, while some were executed under the supervision of Piper and Sutherland, and others were the works of local art students.[91] The CEMA also bought some oil paintings and watercolours for exhibits, "not to show supreme examples of art, but rather to give illustrations of pleasing and competent contemporary work, which might be bought by *ordinary* people and lived with in *ordinary* houses [italic added]."[92]

The CEMA's missionary vision for "ordinary people" was, however, quietly dropped when, at the same time as the withdrawal of the Trust's financial support and the resignation of Jones, Maynard Keynes took over its chairmanship in 1942.[93] He was, to quote Sir Kenneth Clark, "not a man for wandering minstrels and amateur theatricals. He believed in excellence."[94] The focus of the practice at the CEMA was subsequently changed dramatically, with "the Best" now becoming the centre of gravity.

The shift in focus was not only a matter of personalities, but had more profound implications for public arts funding because Keynes was not just one of the most influential economists in Britain at the time, who also "happened" to be interested in the arts. Not only did he have close ties with the political establishment, but he also was well connected in the arts world, in particular with the Bloomsbury Group.[95] Indeed, he was the very epitome of the British tradition of "the Great and the Good," those people who can freely afford to give up substantial private time for public service. He belonged to the vaguer category of what Raymond Williams called, "persons of experience and goodwill," a British "state's euphemism for its informal ruling class."[96] Keynesian emphasis on artistic "quality" and "standards" was later to become dominant in the practice of the Arts Council, as it was Keynes's vision and creation which ensured that a reformed version of the CEMA was to continue into peacetime.[97]

The conflicting views and practices, personified in Thomas Jones and John Maynard Keynes, within the institutional framework of the modern state, epitomise a persistent battle between various sectors of society which seek to lay claim to a legitimate culture. The contest expresses itself, at different historical junctures, in various formulations, sometimes reinstating itself in the élitism/ populism divide, sometimes declaring itself in terms of the contest between the Establishment and the community, as it did in the 1970s, and at other times transforming itself, as in the debate between the metropolis and the regions in the 1980s. What has ultimately woven these ostensibly different issues together is, however, the centrality of the rôle that the structures of power play in these relationships. That is to say, it is precisely the structures of power that are the references or indicators in mapping out these dissensions.

The work of the CEMA may seem to be an ephemeral episode,[98] but for enthusiasts like Roy Shaw it was "the most vigorous approach to 'arts for all' that had ever been seen in

Britain."[99] It is only to the extent that the CEMA reflects an intervention in the landscape of the dominant culture that, one may recall, with some justification, the more profound and extensive experience of the cultural projects of the Works Progress Administration (WPA) in the New Deal America of the 1930s. While it is beyond the scope of this study to elaborate on this project, not least because it is relatively well researched elsewhere, it is of significance to draw attention to the common ground that both the CEMA's and the WPA's cultural projects share, despite the great disparity in scale and impact between the two.

The Federal Art Project (FAP) was one of the four nationwide cultural schemes of the WPA set up in 1935. Like the CEMA, established as a result of severe economic and political dislocation, it was a relief expedient programme for visual artists. Also like the CEMA, the FAP promulgated the vision of "Art for the Millions," as a collection of essays about the project was entitled.[100] Of course, the neatly worded catch phrases "Art for Millions" and "Art for the People" beg serious questions as to what art is meant to be here, and they are rather redolent of the patrician *noblesse oblige* of the process of democratisation of the arts.[101]

However, the administrators of both the CEMA and the FAP, such as Thomas Jones and Holger Cahill, did share the aspiration of what can only be adequately expressed through the concept of "cultural democracy."[102] Both programmes sought to achieve its seminal element, that is, cultural access for the public, not only by sending exhibits to various parts of the country, or installing murals in locations which were more accessible to people, but also through the fostering of community participation. This, in particular, was Cahill's approach, influenced by John Dewey's idea of "art as experience," which aimed to make the arts not only physically accessible, but also "intellectually and emotionally accessible."[103] It is through the process of redefining art by changing the very terms of reference used by the dominant culture that the relationship between the public and artists can be re-mediated and re-negotiated, thereby opening up the range of possibilities for the rôle of the arts in a democracy. It is also in this sense of maximising popular participation, on which cultural democracy primarily depends, that the significance of the early CEMA and New Deal projects extends far beyond their brief existence.

The kind of idealistic popular participation championed by the early CEMA and the New Deal does not in reality occur very often in Western democratic countries. Often it is the public arts agencies, such as the Arts Council and the National Endowment, that survive by being incorporated into the permanent governmental machinery ("permanent" in the sense that they were originally set up on a long-term basis). Like other forms of social organisation, they illustrate how reliant the arts are on the political process of institutional building if they are to have an active voice within the modern state. In this sense, both organisations can confidently be said to symbolise public ownership in the arts, and in many respects they are the collective voice for contemporary art in the political arena.

With regard to their operations before the decade of the 1980s, I do not intend to take an inventory of all their activities in the field of the visual arts, not least because a mere shopping list of events tends to be superficial. I intend rather to focus, for the purposes of this study, on one specific aspect of each agency, that is, the Arts Council Collection and alternative spaces (which, in the NEA's administrative jargon, are now called "Visual Artists Organizations") supported by the Visual Arts Program at the NEA. This may seem to be a surprising choice, but the paradox is deliberate: if these two projects are among the least known activities of each of the supporting institution, they nonetheless demonstrate the importance of public funding, by the very fact that support was actually given to these marginalised schemes, which otherwise would not have survived the play of market forces. Their invisibility, or low visibility, in the art world is in sharp contrast to the high-profile art establishments of both countries. It then comes as no surprise to find that they are by far the least attractive schemes to corporate patrons.

The Arts Council Collection

The Arts Council Collection, like the Council itself, was transferred from the CEMA, which, as we have seen, first acquired a collection of some 77 original works, including oils and watercolours, in 1941 for the touring exhibitions which it organised.[104] The Collection, as it stands at present with more than 7,000 pieces, is the largest loan collection of post-war British art, including as it does over 3,000 original paintings and drawings, and about 420 sculptures and mixed media, as well as over 3,500 prints and photographs.[105] In line with the spirit of the early CEMA, the purpose of the Collection, in the words of its current curator Isobel Johnstone, "was to circulate modern art in exhibitions around the country."[106] Unlike collections based in museums and art galleries, it did not, and still does not, have permanent galleries to display its holdings.[107]

At first, purchases were made annually by different members of the Council's Art Department and Advisory Panel, with the aim of "ensuring that a variety of choice was being represented."[108] In 1981, the procedure was changed and formalised. Artists living in England could apply for their works to be considered.[109] According to the Collection catalogue, this is aimed at "having the benefit of keeping purchasers in touch with what is being done outside London and of opening up what may have seemed a fairly closed system."[110] A group of six purchasers were invited to select works for the Collection, first looking at slides and then making the necessary studio visits. These purchasers included three members from the Art Council and three outsiders, including artists, critics or museum curators — those people presumably with informed knowledge of the art world.[111]

Until the end of the 1960s, the purchases were made primarily for touring exhibitions organised by the Arts Council, of which contemporary art, along with modern art, has been the key but not the sole feature. Before local-authority maintained galleries were improved through the Arts Development Strategy in the mid-'80s, these touring exhibits were of significance in bringing original works to places where no public collections existed.[112] To quote Hugh Willat, then Secretary-General of the Arts Council: "No one else was tackling this task on this scale, nor could anyone else undertake it."[113] This was particularly true for contemporary art exhibitions, when at the time few galleries were able or willing to offer them on tour. The Council was praised by the Museums and Galleries Commission as "the most productive single originator of travelling exhibitions for museums and galleries" in the country,[114] despite the fact that the service has been under considerable criticism for being too centralised and for perpetuating "a paternalistic approach" since the late 1970s.[115]

Most works not on exhibition loans are lent on a long-term basis to other public institutions, where the public have "some" access, places such as art galleries, universities and colleges, libraries, hospitals and local and district authority offices.[116] Unlike the Tate Gallery which does not collect photographs, the Collection includes some 2,000 photographs. They are housed in Sheffield University Library where they are available for loan or for reference use. At present, about 70 percent of the paintings, and some 25 percent of the sculptures and mixed media, are on loan either to exhibitions or public institutions.[117]

By virtue of its operations, the Collection has functioned both as "patron and publicist for the artist," in that by purchasing contemporary art works, the Council not only provides direct financial support to living artists, but through its extensive tours also significantly increases the exposure of their work.[118] This form of patronage is especially important in Britain in two ways. Firstly, whereas in America fellowships for individual artists have been the biggest single category of support in the Visual Arts Program at the NEA since its inception in 1965, the Arts Council had not succeeded in providing similar support to artists.[119] This is crucial for younger artists in particular since, because of its very limited budget, the Council tends to buy from them long before their reputation in the art world is well established. Its purchasing policy, as encapsulated by Tom Lubbock, is: "Buy young, buy cheap!"[120] For this reason, the Arts Council was, and still is, one of the few sources of support for many artists.

Secondly, the purchase itself as a form of patronage is not only financial, but symbolic — symbolic, that is to say, in the sense that the manifest effect of Arts Council purchases signifies a stamp of art-world approval. This is clearly reflected in the fact that being included in the Arts Council Collection has become one of the standard entries listed in artists' catalogues or resumés. Its imprimatur is beyond dispute. Institutionally, the Arts Council is the most influential public agency for *contemporary arts* in Britain, and individually those purchasers who have worked for the Collection include some of the best known luminaries from the contemporary art world, such as Alan Bowness, who later became the director of the Tate in 1980.[121] In short, it is this combination of institutional power with the authority and political influence of individuals (they are, in a way, agents in the same category as arts bureaucrats), that locates the significance of the Collection not only in its size, but in its symbolic mapping of the national cultural landscape. It is also in this capacity that corporate art collectors look upon the Collection as one of the most eloquent barometers of what to purchase.

To recognise the power that the Collection may have is not to contradict the earlier point that the Collection is, in fact, relatively unknown if we take into account its huge size and its history of collecting over half a century. Writing in 1980, one journalists asked: "Yet who has heard of the Arts Council Collection?"[122] The same question was asked again ten years later.[123] The answer to this apparent paradox lies in the fact that for most of its history the Collection's impact has been on the regions rather than on London. Its budget was also so limited that it was impossible to have many high-profile star artists in its stable. And above all, its ambitious lending policy to "[reach] the parts most other collections cannot reach," resulted in exceptional mobility.[124] For such a centralised country as Britain, to bypass the metropolis is to forego a lot of critical attention. The Collection would have remained known only outside London, or accessible to only a very small circle of metropolitan art cognoscenti, had it not been for the free-market forces released in the 1980s which challenged the social ownership of such a collection, and forced it to be run more like a business enterprise with all the publicity seeking strategies that this implies.

But, does the Collection, for all that, achieve its proclaimed aim: *art for everyone*, or is it merely "an archive of good intentions"?[125] The commitment to public access may be a genuine one; the rub is, however, that the construction of "art" in the neatly phrased motto "art for everyone" collapses too many different positions of social and cultural power within a capitalist society, and this makes it unlikely to be workable either in concept or in practice. To speak of art as if it were a universal category requires a persistent negation of the representational needs of the non-gallery going public, who are consistently fed by "museumified high culture" as if they have no culture of their own.

Only occasionally is this sense of cultural dislocation and exclusivity able to surface in the now all too familiar debates over what constitutes contemporary art. The furore over the Collection's "fish-tin-in-wash-tub" sculpture by Richard Wentworth (slide 2-1), exhibited at the Serpentine Gallery in 1984, for example, is not atypical.[126] But, here, after all, it is because of the public profile of a *public* collection that a forum for opposition has been made available, or at least tolerated, however limited this opposition may actually be. Or put it another way, if the Collection only partially succeeds in achieving its ostensible goal, this has nothing to do with its ownership, but rather with the broader structure of different modes of social power within a capitalist democracy that largely shapes and constrains its practices. It is the public ownership of the Collection, on the other hand, that might possibly bring about a re-definition of what "art" actually is.

The National Endowment for the Arts and Alternative Spaces

To begin with, the umbrella term "alternative spaces" requires clarification. Unlike the inclusive expression "artist-managed exposure," which encompasses the whole range of methods employed by artists themselves to bypass the mediation of dealers, the alternative space movement here refers to a historically specific category.[127] It arose in the late '60s and early to mid '70s in direct response to the support system of museums and commercial galleries, to which access was deemed to be very limited by many artists, at a time when neither was willing to accommodate the range and diversity of new experimental work, in particular performance art and conceptual art.[128]

Like artists' co-operatives in the '50s, the alternative space movement was a direct result of a desire on the part of artists to take control over the dissemination and distribution of their artistic production. But, unlike the co-operatives whose main concern was not dissimilar to that of commercial galleries, namely to sell, these spaces were not primarily interested in selling. To quote Jock Reynolds, director of the Washington Project for the Arts in Washington D. C.: "We're not in the business of managing careers."[129] On the contrary, in some cases these spaces, by exhibiting unsaleable works, challenged the very assumption of art as commodity promulgated by the commercial market. It is this sense of ideological allegiance and social awareness of being outside the mainstream, and on the oppositional periphery, that underpinned the movement and imbued it with the idealism of the '60s' counter-culture.

The relationship between the establishment and the practices of alternative spaces and the National Endowment for the Arts, in particular its Visual Arts Program, is a direct and close one. Most of the first generation of alternative spaces were created at a time when the federal art budgets rose meteorically, examples including the Kitchen and Artists Space in New York, in 1971 and 1973 respectively.[130] Under the influence of the directors of the Visual Arts Program, including artists Brain O'Doherty and Jim Melchert, alternative spaces received a substantial amount of their annual budgets from the NEA as well as from state arts councils.[131] Brian O'Doherty was even credited with coining the expression "alternative space."[132]

As early as 1971, the Visual Arts Program gave five grants of $22,600 in total to support these embryonic artists' experiments. The following year a specific category, "Workshops," was established to designate this area of funding. With a budget of $203,478, it represented 21.6 percent of the Program's budget as a whole, and received 42 applications in that year.[133] A decade later, the category, renamed "Artists' Spaces," had a budget of $919,550, with 170 applications in 1980.[134] The statistics themselves, of course, give no indication of how much public subsidy these organisations received in their earlier days, and with what impact, and unfortunately no systematic data are available to help us clarify.[135]

But the importance of public funding for these artist-run galleries is beyond reasonable doubt. Not only is the Program the only public program within the federal structure devoted to contemporary art, but the timing of its support was particularly decisive. Most spaces were started on a shoestring; for instance, the Kitchen was literally begun in the kitchen of the Broadway Central Hotel. The now renowned alternative P.S.1 in New York was once a dilapidated school building, refurbished in the early '70s under the auspices of the New York Institute for Art and Urban Resources, with funds from the NEA and the New York State Council for the Arts, in addition to a Chemical Bank loan.

It cost a mere $150,000, in stark contrast to the City estimate of $1.5 million. The P.S.1 opened in 1976, housing some 35 low-rent working studios for artists, as well as spaces for exhibitions and other activities.[136] The resources that the government channelled into these artistic practices in their growing phase were thus of critical importance for their survival. Even after some years, the public input was still paramount. According to Phil Patton, the Kitchen's annual budget for 1977 was $200,000, of which 45 percent came from the federal and state governments, with the rest paid by the private sector and 500- 600 paid-up members.[137] The Institute for Art and Urban Resources, which began in 1972 as a "social and aesthetic welfare organization for artists," remained heavily dependent on public funding.[138]

The staunch support that the NEA gave to this movement had, as O'Doherty put it, "the benefit of a favourable historical moment."[139] The NEA guidelines described the "Workshop" category in terms of the significance of "artists' self-determination," and of "non-commercial, bare-walled, ripped-out, 'alternative space,' run by artists for artists..."[140] The image of alternative spaces thus envisaged by the NEA was one of the avant-garde organisations which, fed by the "radical energies of the '60s," expressed themselves in terms of counter-cultural values and practices.

The integral rôle that the NEA assigned to the artists in this area of funding cannot be overemphasised. Unlike art museums throughout the United States, whose boards of trustees usually read like a list of "Who's Who" in corporate America, the artists' organisations have a "significant portion" of artists serving on their boards and making overall programming decisions.[141] This is sometimes written into their bylaws, as is the case with the Washington Project for the Arts, for instance, whose bylaws stipulate that half of the board members must be artists. More often, this is particularly advocated by the Visual Arts Program through its policy of giving priority to the "integral rôle" played by artists in funding decisions. It is in this organisational arrangement that the NEA in general, and the Visual Arts Program in particular, nurtured a fundamentally new, and in many respects, radical framework for artistic production and distribution in the country. In short, before the arrival of the Reagan administration in 1981, the NEA "effectively enfranchised" a nationwide network of multi-disciplinary organizations, which made available exhibition space, service, or work space to artists "devoted to 'alternative,' *non-market oriented* artists and art works [italic added]."[142]

Unlike the Arts Council Collection, which was intended to cater for *the public* (this, at least, was the theory), the NEA defined the *primary* purpose of alternative spaces as "to serve the needs of, and enhance opportunities for, visual artists." The actual relationship between alternative spaces and their audience is therefore left to individual organisations to elaborate.[143] This often entails a complicated, and sometimes even conflicting, interaction. Since artists' spaces were established to support work which, to quote two longtime figures on the scene, "challenges established sociological, political, and ethnic assumptions, work that takes risks and allows the artist to fail, work by new artists with new unvalidated approaches..," there may well exist, at the very least, some kind of artistic camaraderie between the artists/administrators of these spaces and their fellow artists.[144] But the relation between these spaces and "the public" is more problematic. As the previous quotation suggests, alternative space existed to support those works and artists who were outside the dominant structure of contemporary art world, that is to say, it existed to "empower" disenfranchised artists.[145] This aspiration to counter what was perceived as a progressive political as well as artistic marginalisation was in fact identified by Renny Pritikin, the director of New Langton Arts, an alternative space in San Francisco, as the origin of the alternative movement:

> ... The objective [of the artists space movement] was self-determination. Artists took this rhetoric, originally intended to address disenfranchisement from political decision-making process, and applied it to the microcosm of an art world that has effectively placed artists in a passive and victimized role...[146]

It is in this sense that alternative space speaks of itself as a representative of the disenfranchised (under)class of society, their "imaginary public," so to speak. Their intention may be genuine, if naïve. As one administrator of alternative space enthusiastically put it: "The egalitarian in me wants to show all points of view, with a leaning toward the underdog and the unrecognized."[147] Leaving aside the fact that most of the artists who started alternative spaces were white middle-class Americans, the rub is that there is a difference between an artistic career which is *chosen* and requires long years of training and cultivation, and a *choiceless* condition of life of being at the bottom of society.

But, without questioning its own practice in terms of its connection with power, both in the art world and within society as a whole, the alternative space movement ironically helped to re-define and gentrify the derelict urban ghettoes where these spaces were located in the first place.[148] This is not to say that artists and their practices were the only force in gentrifying the downtown areas of many American cities, by, for example, making loft living so fashionable.[149] But, as Anne Bowler and Blaine McBurney observe, when "the avant garde and its 'spirit of revolt' itself have become a commodity for consumption in the constant search for the ever-new and latest thing" within late capitalism in general,[150] these artists' spaces in fact participate, willingly or unwillingly, in an arena of profound social change where the haves and have-nots are in direct conflict and struggle, with the latter being ruthlessly evicted and displaced.

The failure rigorously to engage the question of power, in particular their own power and their connection with power in the art world after a decade of existence, has meant that these spaces, collectively, have not been able to produce an alternative audience or a radically different context for artistic careers. Paradoxically, some of them have reproduced the very system of institutions and values that they had set out to challenge, that is to say, they themselves have became rather museum-like, or like "the establishment of the anti-art establishment," while others function as feeders for the commercial market, with some of the founders of the movement moving on to open their own commercial galleries, and artists similarly leapfrogging from the alternative to the commercial. The move of Barbara Kruger, for example, who showed at alternative galleries as early as 1974, to the high-powered Mary Boone Gallery in 1987, "an apogee of commercialism," ironically exemplifies the inherent contradictions of alternative spaces and their "radical" artists.[151]

To recognise the dilemma and ambiguities implied in alternative space is not to minimise the significant role that it might fulfil in the discourse of contemporary culture in American society. On the contrary, to lay bare its intricate power relationships is to provide a pointer as to where *genuine* revolt against the patronage system of late capitalism may hopefully take place. Nor is this to deny that within the "decadent bohemian avant-garde" often associated with the subculture of the alternative, there are those who continue to express genuine concern for the underprivileged, and sustain an "alternative" force to the dominant existing order, where cultural production and consumption do not succumb to the forces of marketplace, such as ABC No Rio, or Political Art Documentation and Distribution in East Village in New York, and the Washington Project for the Arts.

The ABC No Rio, set up in 1980, originated in the exhibition "The Real Estate Show," mounted by a group of about thirty-five young artists when East Village was being rapidly gentrified. The purpose of the show was unequivocal: "The intention of this action is to show that artists are willing and able to place themselves and their work squarely in a context that shows solidarity with oppressed people..."[152] Although it is impossible to discuss their activities in detail, suffice it to say, as Rosalyn Deutsche and Cara Gendel Ryan pointed out, that ABC No Rio was the only group in the art world, including established alternative spaces, to show their awareness of their own cultural and economic privilege:

> We fall into that area of implication because we've got the best deal in town. We've got a low rent and minimal pressure. And the reason that we're here is because we're attractive, because we represent an art organization. Whether or not that's a save-face for the city, allowing it to say it's not involved in gross speculation...[153]

Alternative spaces as such may not necessarily be in the majority, but they are nonetheless of great significance in maintaining a critical edge of oppositional vanguard alternatives. Paul DiMaggio, a sociologist at Yale University with an abiding interest in the arts, has pointed out that government is in a potentially strong position to "take fuller responsibility for the pursuit of those purposes that neither the market nor private philanthropy can be expected to support."[154] It is this position that makes public arts funding ever more important, despite its limits and its internal contradictions within a capitalist society. However, the *privatising* policies of the Reagan and Thatcher governments during the 1980s transformed these public and semi-public institutions across the Atlantic. For the American art museums which had already ventured into the complex territory where the private and the public overlap, the coming of age of unfettered market forces was in some ways simply a step forward. However, for British museums and galleries and public arts institutions alike, and to a lesser extent for federal arts agencies in America, the New Right's promotion of an enterprise culture has been at worst devastating, and at best, ethically problematical. While the changes undergone by museums will be the subject of Chapter 4, it is to the '80s-style public arts agencies that we now turn.

NOTES

1. Although British writers sometimes use the term "state," they nonetheless, like their American counterparts, refer more or less exclusively to the machinery of the state; see John Pick, ed., *The State and the Arts* (London: John Offard Publishers and Centre for Arts and Related Studies, City University, 1980) and *The Arts in a State* (Bristol: Bristol Classical Press, 1988); Lord Eccles, "The State and the Arts," *Studio International*, 182, July/August 1971, pp. 58-60; Andrew Faulds, "The State and the Arts in Great Britain," *Studio International*, 182, November 1971, pp. 202-5; F. F. Ridley, "State Patronage of the Arts in Britain: The Political Culture of Cultural Politics," *Social Science Information*, 17(3), 1978, pp. 449-86. The only exception is Nicholas Pearson, *The State and the Visual Arts* (Milton Keynes: the Open University Press, 1982). Christine Cheyne made an attempt to look at "the relationship between artistic production and the hegemony of dominant groups through the state's activity as patron of the arts;" see "The State and the Arts: The State of the Art," *New Zealand Sociology*, 1(2), 1986, pp. 113-20.

2. Although there are other categories such as "arts and society" which can arguably be included in the discussion, it has not been thought advisable, in the interests of brevity and clarity, to do so.

3. To name but a few examples: Kevin V. Mulcahy, "Official Culture and Cultural Repression: The Case of Dmitri Shostakovich," *Journal of Aesthetic Education*, 18(3), Fall 1984, pp. 69-83, and Amei Wallach, "Censorship in the Soviet Bloc," *Art Journal*, 50, Fall 1991, pp. 75-83.

4. Ralph Miliband, *Capitalist Democracy in Britain* (Oxford and New York: Oxford University Press, 1982), p. 1.

5. Recent publications include: "Censorship I" (14-article special section), *Art Journal*, 50, Fall 1991, pp. 6-86; "Censorship II" (12-article special section), *Art Journal*, 50, Winter 1991, pp. 14-92, and Richard Bolton, ed., *Culture Wars: Documents from the Recent Controversies in the Arts* (New York: The New Press, 1992).

6. Antonio Gramsci, *Selections from the Prison Notebooks*, ed. and trans. by Q. Hoare and G. Nowell Smith (London: Lawrence & Wishart, 1971), p. 258.

7. Perry Anderson, "The Antinomies of Antonio Gramsci," *New Left Review*, 100, 1976, p. 26.

8. Martin Carnoy, *The State and Political Theory* (Princeton, NJ: Princeton University Press, 1984), pp. 68-77.

9. John Heskett, "Art and Design in Nazi Germany," *History Workshop*, 6, Autumn 1978, pp. 139-53, and Brandon Taylor, "Post-Modernism in the Third Reich," in Brandon Taylor and Wilfried van der Will, eds., *The Nazification of Art* (Winchester, Hampshire: The Winchester Press, 1990), pp. 128-43.

10. Gary Larson, *The Reluctant Patron: the United States Government and the Arts, 1943-1965* (Philadelphia: University of Pennsylvania Press, 1983), pp. 24-27; Eva Cockcroft, "Abstract Expressionism, Weapon of the Cold War," *Artforum*, 12, June 1974, pp. 39-41; David and Cecile Shapiro, "Abstract Expressionism: the Politics of Apolitical Painting," *Prospects*, 3, ed. by Jack Salzman, 1977, pp. 175-214, and Serge Guilbaut, *How New York Stole the Idea of Modern Art* (Chicago: University of Chicago Press, 1983).

11. Ralph Miliband, *The State in Capitalist Society* (London: Quartet Books, 1969), p. 164.

12. Kevin V. Mulcahy and C. Richard Swaim, eds., *Public Policy and the Arts* (Boulder, CO: Westview Press, 1982); Kevin V. Mulcahy and Lawrence D. Mankin *et al.*, "Government and the Arts: A Symposium," *Journal of Aesthetic Education*, 14(4), 1980, pp. 21-54; Milton C. Cummings and Richard S. Katz, eds., *The Patron State: Government and the Arts in Europe, North America and Japan* (New York and Oxford: Oxford University Press, 1987); Margaret Wyszomirski, ed., *Congress and the Arts: A Precarious Alliance?* (New York: American Council for the Arts, 1988), and Barbara Probst Solomon, "What Ought to be the Role of Government vis-a-vis the Arts?" in Michael Margolis, ed., *Free Expression, Public Support, and Censorship: Examining Government's Role in the Arts in Canada and the United States* (Lanham, New York and London: University Press of America and the Center for the Study of Democratic Citizenship, 1994).

13. On the American side, publications of former arts administrators include Livingston Biddle, *Our Government and the Arts: A Perspective from the Inside* (New York: American Council for the Arts, 1988); Michael Straight, *Twigs for an Eagle's Nest: Government and the Arts 1965-1978* (Berkeley, CA: Devon Press, 1980), and Fannie Taylor and Anthony Barresi, *The Arts at a New Frontier* (New York: Plenum Press, 1984). On the British side, they are Hugh Jenkins, *The Culture Gap: An Experience of Government and the Arts* (London and Boston: Marion Boyars, 1979); Eric W. White, *The Arts Council of Great Britain* (London: Davis Poynter, 1975); R. Hutchison, *The Politics of the Arts Council* (London: Sinclair Browne, 1982), and Roy Shaw, *The Arts and the People* (London: Cape, 1986).

14. I am not saying that to be autobiographical is necessarily to be uncritical. Indeed, Hutchison's *The Politics of the Arts Council* is much more critical than most other accounts on the Arts Council of Great Britain. Nevertheless, to write from the viewpoint of a specific institution is to focus closely on selected aspects and is unlikely to be highly theoretically engaged.

15. Although some publications appeared on the topic in the late 1960s, they were rather isolated cases. The pioneering study on the financial plight of cultural organisations is William J. Baumol and William G. Bowen, *Performing Arts: The Economic Dilemma* (New York: The Twentieth Century Fund, 1966). Research done in the 1970s include Lawrence Mankin, "Government and the Arts: From the Great Depression to 1973," unpublished Ph.D. dissertation, University of Illinois, 1976, and Dick Netzer, *The Subsidized Muse* (Cambridge: Cambridge University Press, 1978).

16. Although the Arts Council of Great Britain was established in 1945, twenty years earlier than its American counterpart, it had been a rather minor agency in its earlier days.

17. The dominance of behavioralism in political science, for example, is discussed by Peter Seybold in "The Ford Foundation and the Transformation of Political Science," in Michael Schwartz, ed., *The Structure of Power in America: The Corporate Elite as Ruling Class* (New York: Holmes and Meier, 1987), pp. 185-98.

18. Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research," in Peter B. Evans, Dietrich Rueschemeyer and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985), pp. 3-37.

19. The other elements of the state system include administration, the military and the police, the judicial branch, sub-central government and parliamentary assemblies; see Ralph Miliband, *The State in Capitalist Society*, *op. cit.*, pp. 46-62.

20. One of the central features of the modern state is, as Max Weber states, "The claim of the modern state to monopolize the use of force is as essential to it as its character of compulsory jurisdiction and of continuous organization;" see "The Fundamental Concepts of Sociology," in Talcott Parsons, ed., *The Theory of Social and Economic Organization* (New York: The Free Press, 1964), p. 156.

21. There are numerous examples of such talks; see Margaret Wyszomirski, "Arts Policymaking and Interest-Group Politics," *The Journal of Aesthetic Education*, 14(4), 1980, p. 29; Thomas W. Leavitt, "A Symposium: Issues in the Emergency of Public Policy," in W. McNeil Lowry, ed., *The Arts and Public Policy in the United States* (Eaglewood Cliffs, NJ: Prentice-Hall, 1984), p. 40, and Hutchison, *The Politics of the Arts Council*, *op. cit*, p. 13, to name but a few.

22. For example, Fred Block mentioned in passing the bourgeois cultural hegemony as a "second subsidiary mechanism" for class rule, but he could not, or did not, offer an explanation of how that specific structural mechanism operated; see "The Ruling Class does not Rule: Notes on the Marxist Theory of the State," *Socialist Revolution*, 7(3), May/June 1977, p. 14.

23. C. Richard Swain, "Public-Private Relations: The Arts and Humanities," *Policy Studies Journal*, 11(3), March 1983, pp. 465-72; J. Mark Davidson Schuster, "The Interrelationships Between Public and Private Funding of the Arts in the United States," *The Journal of Arts Management and Law*, 14(4), Winter 1985, pp. 77-105. This was especially the case during the Reagan administration when arts budgets were cut. It was often said that public funding helped encourage business support; see Manuela Hoelterhoff, "The Arts Endowments: Battling over the Muses," *The Wall Street Journal*, 5 August 1981; Cynthia Saltzman, "Companies Doubt Their Arts Giving would Rise to Offset Reagan's Cuts," *The Wall Street Journal*, 26 February 1981, and Toni Morrison, "Cutting the Endowment," *The Washington Post*, 22 March 1981.

24. One exception is Herbert Schiller, *Culture Inc.: the Corporate Takeover of Public Expression* (Oxford and New York: Oxford University Press, 1989).

25. Interview, August 1992, London.

26. Carol Duncan, *Civilizing Rituals: Inside Public Art Museums* (London: Routledge, 1995), p. 57.

27. For discussion of artworks in the international arena, see Judith Huggins Balfe, "Artworks as Symbols in International Politics," *The International Journal of Politics, Culture and Society*, 1(2), Winter 1987, pp. 195-217.

28. Fred Block, "Beyond Relative Autonomy: State Managers as Historical Subjects," in Ralph Miliband and John Saville, eds., *The Socialist Registrar 1980* (London: Merlin Press, 1980), pp. 227-42, and Miliband, *The State in Capitalist Society*, *op. cit*, p. 50.

29. Block, *ibid.*, p. 229.

30. The exception is Paul DiMaggio's *Managers of the Arts: Careers and Opinions of Senior Administrators of U.S. Art Museums, Symphony Orchestras, Resident Theatres, and Local Arts Agencies* (Washington D.C.: Seven Locks Press and the National Endowment for the Arts, 1987).

31. Richard W. Walker, "Reforming the Tax Reform Act," *Artnews*, 88(9), November 1989, p. 45.

32. Quoted in Miliband, *The State in Capitalist Society, op. cit.*, pp. 72-73.

33. Although the terms "museums" and "galleries" have different meanings in Britain from those in America, for convenience "art museums" will hereafter be used to refer to both art museums in America and art galleries in Britain, unless the context is a specifically British one.

34. The significance of state art education for contemporary artists can be demonstrated by the fact that the overwhelming majority of them undergo formal art training both in America and Britain. According to a survey of 1139 artists conducted by Nicholas Pearson, 80 percent of practising artists have experienced full-time art education and a further 8 percent followed part-time courses; see *The Economic Situation of Visual Artists* (London: Calouste Gulbenkian Foundation, 1985), p. 33. A survey of 624 artists who received fellowships from the National Endowment for the Arts during the period 1965 to 1979 also indicated that 88 percent of them had an undergraduate degree, with 67 percent having a postgraduate degree. This figure, of course, has to take into account the fact that these artists are more established than the rest of practicing artists; see *Evaluation of Visual Artists' Fellowship Category*, prepared by Skidmore, Owings & Merrill for the National Endowment for the Arts, 1981, p. 20. A comparatively high percentage of artists' art education, however, was also reported in four American cities. Among the artists surveyed, 64.2 percent had an undergraduate degree, with 32.2 percent having a postgraduate degree. Only 7.0 percent reported that they did not have any formal training. See *Visual Artists in Houston, Minneapolis, Washington, and San Francisco* (Washington D.C.: National Endowment for the Arts, 1984), p. 22.

35. For discussion on state and arts education in Britain, see Nicholas Pearson, *The State and the Visual Arts* (Milton Keynes: the Open University Press, 1982), pp. 14-23.

36. For some histories of British museums, see Geoffrey Lewis, "Museums in Britain," pp. 22-46; Sir David M. Wilson, "National Museums," pp. 81-85; Michael Compton, "The National Galleries," pp. 86-92; all in John M. A. Thompson, ed., *Manual of Curatorship,* 2nd ed., (Oxford: Butterworth-Heinemann, 1992).

37. Although the Arts Council of Great Britain was re-named as the Arts Council of England on 1st April 1994, the ACGB was the name by which it was known throughout the '80s, and is therefore used in this study.

38. A slogan for fund-raisers, cited in Charles D. Webb (a fund-raising consultant), "Museums in Search of Income," in Scottish Museums Council, ed., *The American Museum Experience* (Edinburgh: HMSO, 1985), p. 76.

39. Perry T. Rathbone, "Influences of Private Patrons: The Art Museum as an Example," in W. McNeil Lowry, ed., *The Arts and Public Policy in the United States, op. cit.*, p. 40.

40. Craig R. Whitney, "Britain's Needy Arts Are Looking for Patrons," *The New York Times*, 6 May 1989, p. 12.

41. J. B. Thompson, *Ideology and Modern Culture* (Cambridge: Polity Press, 1990), pp. 238-41; see also Peter Dahlgren, *Television and the Public Sphere: Citizenship, Democracy and the Media* (London: Sage Publication, 1995), pp. 90-94.

42. Raymond Williams, *Keywords* (London: Fontana Press, 1976), p. 242. Strangely enough, there is no entry for "public" in the book.

43. Jürgen Habermas, *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society*, trans. Thomas Burger (Cambridge, MA: MIT Press, 1989).

44. Jürgen Habermas, "The Public Sphere," *New German Critique*, 3, Fall 1974, p. 49.

45. There is no consensus as to whether or not the arm's length principle has ever existed. John Harris cited an example: when Sir Knox Cunningham M.P. requested the Minister of the Arts to prevent the Royal Shakespeare Company from performing non-Shakespearean plays in London, the Minister refused, reportedly saying that it would be improper for Government to attempt to direct the work of the company; see *Government Patronage of the Arts in Great Britain* (Chicago: University of Chicago Press, 1970), p. 64.

46. For discussion on the Boston Museum of Fine Arts, see DiMaggio, "Cultural Entrepreneurship in Nineteenth-Century Boston" *Media, Culture and Society*, 4, 1982, pp. 30-50; for the Tate Gallery, see John Harris, *Government Patronage of the Arts in Great Britain, op. cit*, pp. 17-18, and Brandon Taylor, "From Penitentiary to 'Temple of Art': Early Metaphors of Improvement at the Millbank Tate," in Marcia Pointon, ed.,

Art Apart (Manchester: Manchester University Press, 1994), pp. 9-32.

47. Karl Meyer, *The Art Museum: Power, Money, Ethics* (New York: William Morrow and Company, 1979), p. 211. For example, the British Museum, established in 1753, was governed by a board appointed by the King on the recommendation of his ministers.

48. Meyer, *ibid.*, p. 26.

49. It was limited to 15 percent of personal taxable income.

50. Not all gifts of property are deductible at full value. For artists, their works are ordinary income property. When artists donate their own works to museums, they can deduct only the value of materials from their taxable income. See Alan L. Feld, Michael O'Hare and J. Mark Davidson Schuster, *Patrons Despite Themselves: Taxpayers and Arts Policy* (New York and London: New York University Press, 1983), p. 46.

51. Alan L. Feld *et al.*, *Patrons Despite Themselves*, pp. 44-48, and Don Fullerton, "Tax Policy toward Art Museums," National Bureau of Economic Research Working Paper no. 3379, June 1990, p. 1, and subsequently reprinted in Martin Feldstein, ed., *The Economics of Art Museums* (Chicago and London: the University of Chicago Press, 1991).

52. There are different examples of calculations given by the authors of *Patrons Despite Themselves* and Don Fullerton, but I made the calculation myself for this purpose.

53. For example, according to Shelley Jane Grossberg, the McCrory Corporation divided most of its collection of constructivist art between the Museum of Modern Art in New York, the Tel Aviv Museum in Israel, and the Louisiana Museum in Denmark in 1985, and Blount Inc. of Montgomery, Alabama, donated 41 major American works (valued at over $10 million) to the Montgomery Museum of Art; see "Artful Management," *Art & Auction*, October 1987, pp. 164-65, and Lorraine Glennon, "Great Gifts: Corporate Benefaction of Note," *Art & Antique*, May 1986. Significantly these donations was made before the Tax Reform Act of 1986, which substantially reduced the tax benefits for any donor.

54. The other reason was, according to its chairman and chief executive Jon C. Madonna, "to encourage other companies to consider similar gifts to public museums;" see "A Gift to the Renwick," *Ceramics Monthly*, 42, September 1994, p. 61.

55. Fullerton, *op. cit.*, p. 14.

56. Fullerton did argue that Congress has always felt an inherent tension between the desire for incentive and the desire for actual and perceived fairness. "Although these provisions may provide incentive for worthy goals, they become counterproductive when taxpayers are allowed to use them to avoid virtually all tax liability. The ability of high income taxpayers to pay little or no tax undermines respect for the entire tax system and, thus, for the incentive provisions themselves." (U.S. Congress, Joint Committee on Taxation, 1986) Quoted in Fullerton, *op. cit.*, p. 14.

57. Between 1991 and 1992, there was the so-called "window of opportunity," an experimental measure introduced by Congress, in which the donor could deduct the current market value for appreciated tangible personal property (such as artworks and historical artefacts, but not for such things as securities and real estate). The period was further extended to include the first six months of 1992. In 1993 Congress permanently reinstated the "double incentives." For more detail, see Andy Finch, *Congressional and IRS Actions on Museum Tax Issues* (Washington D.C: American Association of Museums, 1995).

58. Judd Tully, "End of the Chilling Effect, *Artnews*, 92, October 1993, p. 44; Richard W. Walker, "A Permanent Tax Window," *Artnews*, 92, April 1993, p. 31; "Making it Easier to be a Donor," *Artnews*, 91, May 1992, pp. 29-30; "Reforming the Tax Reform Act," *Artnews*, 88, November 1989, p. 45; "Taxing Situations," *Artnews*, 87, March 1988, pp. 183-85; "Generosity will Cost More, IRS Tells Donors" *Artnews*, 84, March 1985, p. 25-26; Jacqueline M. Pontello, "The Taxman Giveth," *Southwest Art*, 22, September 1992, pp.21-22; Robin Cembalest, "We're Giving it to the Whole Country," *Artnews*, 91, March 1992, PP. 34-35; "Tax Window Extended," *New Art Examiner*, 19, February/March 1992, p. 11; Geoffrey Platt, "Converting Private Wealth to Public Good," *Museum News*, 70, May/June 1991, p. 100; Richard Meltzer, "This Temporary Tax Break could Make 1991 a Banner Year," *Museum News*, 70, March/April 1991, pp. 76-78; Jessica L. Darraby, "Giving is Getting Again," *Art & Antiques*, 8, February 1991, pp. 26, 31; Robert Kenner, "Charity Cases," *Art & Antiques*, 6, September 1989, p. 21; "Steep Drop in Museum Donations," *New Art Examiner*, 16, Summer 1989, pp. 11-12; Ashton Hawkins, "Income Taxes and Museums in America," *Apollo*, 128, November 1988, pp. 340-44; Robert L. Thompson, "Prosperity Without Charitable Tax Deductions," *Museum News*, 66, January/February 1988, p. 70-71; Lee Rosenbaum, "Can the Art World Live with the Tax Reform Act?," *Artnews*, 85, January 1986, pp. 95-102, and Lawrence L. Reger, "From the Director," *Museum News*, 64, October 1985, p. 3.

59. The only exception is Robert L. Thompson. He does not think, on the one hand, that there is "solid statistical evidence" to suggest that the tax changes in 1986 would affect people's giving, but on the other hand, he believes that lower tax rates create more disposable income and therefore "can only have a beneficial effect on philanthropy." Although he does not advocate resuming tax benefits for donated art works, he does not disagree with such advocates for ethical reasons; see "Prosperity Without Charitable Tax Deductions," *art. cit.*

60. Rob Kenner, "Charity Cases: Museums Try to Beat the High Cost of Living," *Art and Antique*, 6, September 1989, p. 21.

61. The donor would lose the benefit of not paying capital gain tax, and have to subject the art work to a real test of market price, rather than the appraised one, which is susceptible to overestimation.

62. Geoffrey Platt, "Converting Private Wealth to Public Good," *art. cit.*, as in note 58 above.

63. *A Sourcebook of Arts Statistics: 1989* (Washington D.C.: National Endowment for the Arts, 1990); *Data Report: From the 1989 National Museum Survey* (Washington D.C.: Association of American Museums, 1992), and Martin Feldstein, ed., *The Economics of Art Museums*, *op. cit.*, as in note 51 above.

64. Fullerton, *op. cit.*, pp. 4-5. A detailed analysis of the surveys conducted by the Association can be found in Richard N. Rossett, "Art Museums in the United States: A Financial Portrait," in Martin Feldstein, ed., *The Economics of Art Museums*, *op. cit.*, as in note 51 above, pp. 129-77.

65. Other data on the income of art museums do not even include any item on the value of donated art works; see *A Sourcebook of Arts Statistics: 1989*, *op. cit.*, p. 570.

66. Richard W. Walker, "Generosity will Cost More," *art. cit.*, as in note 58 above, pp. 25-26.

67. Karl Meyer made a similar claim: "The explosive growth of art museums in the United States could never have taken place without the silent, generous, and usually unacknowledged partnership of the American taxpayer." Although he went on to discuss some tax issues related to art museums, he did not present either a comprehensive study of tax laws involved, or sufficient arguments to validate his statement; see *The Art Museum*, *op. cit.*, as in note 47 above, p. 256.

68. These were the words of British Arts Minister Norman St. John Stevas, reported in "Government and the Arts," *Burlington Magazine*, 121, December 1979, p. 753.

69. At the U.S. Treasury Department, Neubig and Joulfaian estimated that the total tax expenditure for the charitable deduction would have been $16.45 billion in 1988 under the old law but it was reduced to $12.87 billion by the lower rates of the Tax Reform Act of 1986. *The Tax Expenditure Budget Before and After the Tax Reform Act of 1986*, OTA Paper 60, (Washington D.C.: Treasury Department, 1988). Cited in Fullerton, *op. cit.*, p. 2.

70. The MOMA, however, was successful in winning tax-exempt status for the apartment house built on top of the Museum building, although in theory this apartment, unconnected to the Museum's operations, should have been taxed as other commercial properties; see Alan Feld *et al.*, *Patron Despite Themselves*, *op. cit.*, pp. 65-66.

71. Alan Feld *et al.*, *Patron Despite Themselves*, *op. cit.*, p. 69.

72. The Met's building actually belongs to the City of New York.

73. The property tax rate for that year was 8.795%. New York City has the greatest percentage of tax exempt cultural institutions. According to Alan Feld *et al.*, the total assessed value of arts institutions was $258 million in 1976; see *Patron Despite Themselves*, *op. cit.*, as in note 51 above, p. 69.

74. Membership fees or subscriptions paid to a qualified charitable organisation are deductible as charitable contributions to the extent that payments exceed the monetary

value of the benefits and privilege available by reason of such payments; see Byrle M. Abbin *et al.*, *Tax Economics of Charitable Giving* (Chicago: Arthur Andersen & Co., 1991), pp. 16-17.

75. Not-for-profit organisations are ordinarily exempt from business income tax; see Finch, *Congressional and IRS Actions*, *op. cit.*, as in note 57 above, p. 49.

76. He made the remark in the discussion, and was recorded in Martin Feldstein, ed. *The Economics of Art Museums*, *op. cit.*, as in note 51 above, p. 106.

77. Charles T. Clotfelter, "Government Policy Toward Art Museum in the United States," in Feldstein, ed., *The Economics of Art Museums*, *op. cit.*, p. 254.

78. William H. Leurs, "Museum Finance (panel discussions)," in Martin Feldstein, ed., *The Economics of Art Museums*, *op. cit.*, p. 71.

79. Tully, "Ending of the Chilling Effect," *art. cit.*, as in note 58 above, p.44.

80. J. Carter Brown, "General Overview," in Feldstein, ed., *The Economics of Art Museums*, *op. cit.*, p. 107.

81. Jane R. Glaser, "USA Museums in Context," in Scottish Museums Council, *The American Museum Experience*, *op. cit.*, as in note 38 above, p. 11. For an alternative view of "donor memorial" museums, see Carol Duncan, "Something Eternal: The Donor Memorial," *Civilizing Rituals*, *op. cit.*, as in note 26 above, pp. 72-101.

82. *Commonwealth of Pennsylvania v. Barnes Foundation*, 398 Pa. 458, 159 A. 2d 500 (1960). Cited in Alan L. Feld *et al.*, *Patrons Despite Themselves*, *op. cit.*, as in note 50 above, p. 142.

83. Quoted in Marie C. Malaro, *A Legal Primer on Managing Museum Collections* (Washington D.C.: Smithsonian Institution Press, 1985), p. 16.

84. Arts Council of Great Britain, *Arts Council of Great Britain Royal Charter*, 1967.

85. John Maynard Keynes, "The Arts Council: Its Policy and Hopes," *Listener*, 12 July 1945, p. 31.

86. It was first called "the Committee for the Encouragement of Music and the Arts" in 1939 and renamed in 1940; see Jonathan Harris, *Government Patronage of the Arts in Great Britain*, *op. cit.*, as in note 45 above, p. 26. It is not clear who first had the idea of an organisation as such. According to F. M. Leventhal, it was more an initiative from the Board of Education and its chairman, Lord De La Warr, than the Pilgrim Trust; see "'The Best for the Most' CEMA and State Sponsorship of the Arts in Wartime, 1939-1945," *Twentieth Century British History*, 1(3), 1990, pp. 291-94. But other accounts gave the credit to Thomas Jones; see B. Ifor Evans and Mary Glasgow, *The Arts in England* (London: Falcon Press, 1949), p.35, and Andrew Sinclair, *Arts and Cultures: the History of the 50 Years of the Arts Council of Great Britain* (London: Sinclair-Stevenson, 1995), pp. 27-28.

87. Robert Hewison, *Culture & Consensus: England, Art and Politics since 1940* (London: Methuen, 1995), p. 34.

88. Sir W.E. Williams (1896-77) was to become the Honourary Director of Art of the CEMA (1940-42) and subsequently Secretary-General of the Arts Council (1951-63). The "Art for the People" exhibitions, still organised by the Institute, were wholly financed by the Arts Council until 1949 when the Council took over the scheme; see *The Arts Council of Great Britain 4th Annual Report 1948-49*, p. 12.

89. Harold Baldry, *The Case for the Arts* (London: Secker and Warburg, 1981), pp. 14-15.

90. Sir W. E. Williams, "The Pre-history of the Arts council," in E. M. Hutchison, ed., *Aims and Action in Adult Education 1921-1971* (London: National Institute of Adult Education, 1971), p. 21.

91. *Ibid.* See also Harris, *Government Patronage of the Arts in Great Britain, op. cit.*, as in note 45 above, p. 25.

92. *The Arts in War Time: A Report on the Work of C.E.M.A. 1942 & 1943* (London: the CEMA, n.d.), p. 18.

93. For some discussion on Dr Jones's and J M Keynes's different approaches, see Andrew Sinclair, *Arts and Cultures, op. cit.*, pp. 27-49.

94. Kenneth Clark, *The Other Half: A Self-Portrait* (London: John Murray, 1977), p. 26.

95. For Keynes's involvement in the arts, see Paul Levy, "The Bloomsbury Group;" Mary Glasgow, "The Concept of the Arts Council;" Norman Higgins, "The Cambridge Arts Theatre," and Richard Shoe with Duncan Grant, "The Picture Collector," in Milo Keynes, ed., *Essays on John Maynard Keynes* (Cambridge: Cambridge University Press, 1975).

96. Raymond Williams, "The Arts Council," *Political Quarterly*, Spring 1979, p. 166.

97. Keynes became the chairman of the CEMA on 1 April 1942. The House of Commons announced the establishment of the Arts Council on 12 June 1945 and appointed him as its first chairman. He died suddenly on Easter Sunday in 1946.

98. This is especially so because the work of the CEMA in the visual arts has never been a subject of any scholarly interest, overshadowed both by its relatively ample provisions in music and drama, and by the fact that the CEMA was soon replaced by the ACGB when the War ended.

99. Roy Shaw, "Can a Million Flowers Bloom?" *Arts Express*, August/September 1985, p. 25. John Pick criticised the exaggeration of some journalists that CEMA had "brought life" to workers such as those in mining valleys; see *Managing the Arts? The British Experience* (London: Rhinegold Publishing, 1986), pp. 40-41.

100. Francis V. O'Connor, ed., *Art for the Millions: Essays from the 1930s by Artists and Administrators of the WPA Federal Art Project* (Boston: New York Graphic Society, 1975).

101. A critique of the phrase "arts for all" can be found in Owen Kelly, "In Search of Cultural Democracy," *Arts Express*, October 1985, pp. 18-20. The idea of "arts for the people" very often denotes a process of "democratisation" of culture, "making what is often disparagingly referred to as 'heritage' culture available to a wider audience;" see *Arts Council of Great Britain 32th Annual Report*, p. 9. In 1970, a Council of Europe symposium decided that the term "democratisation of culture" should be replaced by "cultural democracy," meaning "working from the grass roots upwards instead of from the top downwards;" see Roy Shaw, *The Arts and the People* (London: Cape, 1986), p. 133.

102. Jane De Hart Mathews, "Arts and the People: the New Deal Quest for a Cultural Democracy," *Journal of American History*, LXII(2), September 1975, pp. 316-39.

103. *Ibid.*, p. 322.

104. *The Pilgrim Trust 11th Annual Report 1941*, p. 17.

105. Telephone conversation with Isobel Johnstone on 8 May 1996.

106. Isobel Johnstone, "Outing Art," *The Art Quarterly (National Art Collections Fund)*, 9, September 1992, p. 37.

107. Until it moved to 105 Piccadilly in 1968, the Council had had the St James's Square Gallery at its head office since 1947 to showcase its medium-scale exhibitions before they went on tour. The Council also attempted to manage a second gallery in Old Burlington Street without much success; see Eric W. White, *The Arts Council of Great Britain, op. cit.*, as in note 13 above, pp. 182-83.

108. Arts Council of Great Britain, *Arts Council Collection* (London: ACGB, 1979), p. 7.

109. Arts Council of Great Britain, *Arts Council Acquisitions 1979-83* (London: ACGB, 1984), p. 6. Artists in Scotland and Wales apply in the first instance to their respective Arts Councils; see *Arts Council Acquisitions 1984-88* (London: Arts Council of Great Britain and South Bank Centre, n.d.), p. 6.

110. Arts Council of Great Britain, *Arts Council Acquisitions 1979-83*, *op. cit.*, p. 8.

111. The purchasing procedure remains much the same, although when the responsibility of the Collection was transferred to the South Bank Centre in 1986, the three internal members included the curator, one member from the South Bank, and another from the Arts Council; interview with Isobel Johnstone, curator of the Arts Council Collection, on 22 February 1995.

112. Graham Marchant Associates, *Where do We Go Next? A Review of Touring in England*, commissioned by Arts Council of Great Britain, March 1992, p. 31.

113. Sir Hugh Willat (Secretary General of the ACGB, 1968-1975), *The Arts Council of Great Britain: The first 25 Years* (London: the ACGB, 1971), p. 23.

114. Museums and Galleries Commission, *Museum Travelling Exhibitions* (London: HMSO, 1983), p. 14.

115. Graham Marchant Associates, *op. cit.*, see also Sara Helen Lloyd Roberts, *Touring the Visual Arts in Great Britain*, unpublished MA thesis, City University, London, 1995, pp. 7-15.

116. Although works from the Collection are held to lend on the understanding that the public have access to them, in some cases the reality is far from satisfactory. Where the pictures adorn the walls of top people's offices such as those of the BBC World Service or the Arts Minister, or the Royal Air Force base in Huntington, they are "on view for the privileged few," and *the public* hardly have any access; see John Wellington, "Art-ful Dodgers," *The Mail on Sunday*, 21 August 1988.

117. Interview with Isobel Johnstone, curator of the Arts Council Collection, South Bank Centre, on 15 September 1995. According to Johnstone, because of the lighting, most photographs and drawings are not on loan. But the percentage of loaned works varies from year to year. For example, in 1991, 90 percent of all original two-dimensional work and approximately half the sculpture and prints were on loan; see Johnstone, "Correspondence," *Art Monthly*, 148, July/August 1991, p. 31.

118. Isobel Johnstone, "Foreword," *Arts Council Collection, op. cit.*, p. 6.

119. Part of the reason why the Arts Council award scheme was controversial and unpopular was because the Council was handing out comparatively large amount of money to a very small number of artists. For example, in the 1980-81 session, 670 painters, sculptors and printmakers applied for the award, and 19 male artists were given £51,000 in total; see Pearson, *The Economic Situations of Visual Artists, op. cit.*, as in note 34 above, pp. 126, 130.

120. Tom Lubbock, "Buy Young, Buy Cheap! The Wisdom of the Age," *The Independent on Sunday*, 4 March 1990.

121. Alan Bowness served as a purchaser for the Collection in the years 1960, 1966 and 1967. He was the director of the Tate Gallery from 1980 to 1988.

122. "A Publicist and Patron Presents 'New' Collection," *Art and Antiques Weekly*, 19 January 1980.

123. Marina Vaizey remarked: "The Arts Council collection of more than 6,000 works has been seen over the years by millions but nobody seems to have heard of it;" see "Quiet Spread of Good Works," *The Sunday Times*, 4 March 1990.

124. Marina Vaizey, "Quiet Spread of Good Works," *art. cit.*

125. "Art for Everyone" is the title of an article written by Isobel Johnstone; see *National Art Collections Fund Review 1991*, pp. 78-82. "An archive of good intentions" was Brandon Taylor's phrase to describe on the Collection; see "Shocks to the System," *Art Monthly*, 146, May 1991, p. 19.

126. The sculpture concerned is called "Toy" and consists of a galvanised steel wash-tub filled with metal, and an empty sardine tin "floats" on it. The sardine tin was said to represent the Argentinian battleship General Belgrano, sunk during the Falklands War; see Brian Vine, "The Great Rubbish Collection," *The Daily Mail*, 15 August 1984; "Rage at £600 Fish Tin in Wash Tub 'Sculpture,'" *Liverpool Daily Post*, 14 August 1984; Barry O'Brien, "£600 for Tin-Tub Artwork," *The Daily Telegraph*, 14 August 1984; Bernard Campion, "A Case of Canned Laughter?" *Western Evening Herald*, 21 August 1984, and Waldemar Januszczak, "Clear Case of Tub-Thumping," *The Guardian*, 17 August 1984.

127. For an analysis of the various forms of artist-managed exposure, see Batia Sharon, "Artist-Run Galleries — A Contemporary Institutional Change in the Visual Arts," *Qualitative Sociology*, 2(1), 1979, pp. 3-28.

128. Lawrence Alloway, "When Artists Starts their own Galleries," *The New York Times*, 3 April 1983. In other parts of the country alternative spaces were established at a later date, such as the late '70s and early '80s in Houston; see Gambrell Jamey, "Art Capital of the Third Coast," *Art in America*, 75, April 1987, pp. 188-96.

129. Martha Gever, "Growing Pains: Artists Organizations in the '80s," *Afterimage*, 11(6), January 1984, p. 3.

130. The NEA budget grew from $8.5 million in 1969 to $94.0 million (*sic*) in 1977 when Nancy Hanks was its chairwoman.

131. Both Brian O'Doherty and Jim Melchert are artists themselves. O'Doherty was the director of the Program from 1969 to 1976, and Melchert from 1976 to 1981. Melchert, for example, was reported to be "interested in promoting alternatives (i.e. non-market) systems for the support of contemporary art;" see Jane Allen, "The (Declining) Power of Review," *New Art Examiner*, November 1981, p. 13.

132. Phil Patton,"Other Voices, Other Rooms: The Rise of the Alternative Space," *Art in America*, July/August 1977, p. 81.

133. The percentage of the category budget in relation to that of the whole program varied from 10 % to 13 % in the '70s, reaching an exceptional high of 21.6 % in 1972.

134. The category was renamed "Workshops/Alternative Spaces" in 1977 and renamed again as "Artists' Spaces," in 1980. Its present name, "Visual Artists Organizations," was designated in 1982; see the fact sheet on "Visual Arts Program History of Funding for Visual Artists Organizations 1971-1988," unpublished manuscript, National Endowment for the Arts, n.d.

135. The first statistic data nationwide were completed by the Endowment and the National Association of Artists' Organizations in Washington D.C, in August 1985, when these spaces had matured and become institutionalised over the years; see *Visual Artists' Organizations Fiscal Year 1982-83*, unpublished report, National Endowment for the Arts.

136. Nancy Foote, "The Apotheosis of Crummy Space, " *Artforum*, 15, October 1976, pp. 26-36; see also Patton, "Other Voices, Other Rooms," *art. cit.*, p. 82.

137. Phil Patton, "Other Voices, Other Rooms," *art. cit*, p. 81.

138. *Ibid.*

139. Brian O'Doherty, "National Endowment for the Arts: The Visual Arts Program," *American Art Review*, 3(4), July/August 1976, p. 68.

140. Quoted in Grant Kester, "Rhetorical Questions: The Alternative Arts Sector and the Imaginary Public," *Afterimage*, 20(6), January 1993, p. 11.

141. Interview with Michael Faubion, Assistant Director of the Visual Arts Program, National Endowment for the Arts, Washington D.C, on 3 October 1990. Faubion pointed out: "We don't set a number; sometimes, it used to be the case the board of trustees were all artists. Right now in 1990 that's rare."

142. Kester, "Rhetorical Questions," *art. cit*, p. 12.

143. The Endowment does encourage "interaction and dialogue ... between artists and the public," but it is not defined as its "primary purpose;" see *Application Guidelines Fiscal Year 1991: Visual Arts Organizations* (Washington D.C.: National Endowment for the Arts, 1990), p. 7. Although it would be more convincing to quote from the guidelines published in the 1970s, these are not available at present.

144. Judy Moran and Renny Pritikin, "Some Thoughts: Artists' Organizations Contrasted to Other Arts Organizations," *Afterimage*, 14, October 1986, p. 17. Both work for the New Langdon Arts, an alternative space in San Francisco, California.

145. For an analysis of the relationship between alternative space and its public, see Kester, "Rhetorical Questions," *art. cit*, pp. 10-16.

146. Quoted in Kester, "Rhetorical Questions," *art. cit*, p. 12.

147. Patricia Davidson, "The Concept of Common Knowledge," *Afterimage*, 14, October 1986, p. 20. Davidson works for Media, an alternative in San Francisco, California.

148. Charles Simpson, *SoHo: The Artist in the City* (Chicago: University of Chicago Press, 1981).

149. Sharon Zukin, *Loft Living: Culture and Capital in Urban Change* (New Brunswick, NJ: Rutgers University Press, 1989).

150. Anne E. Bowler and Blaine McBurney, "Gentrification and the Avant-Garde in New York's East Village," in J. H. Balfe, ed., *Paying the Piper: Causes and Consequences of Art Patronage* (Urbana and Chicago: University of Illinois Press, 1993), p. 176.

151. Andy Grundberg, "When Outs are In, What's Up," *The New York Times*, 26 July 1987, section H, pp. 1, 32.

152. Bowler and McBurney, "Gentrification and the Avant-Garde," *art. cit.*, p. 177.

153. Rosalyn Deutsche and Cara Gendel Ryan, "The Fine Art of Gentrification," *October*, Winter 1984, p. 104.

154. Paul DiMaggio, "Can Culture Survive the Marketplace?" in Paul DiMaggio, ed., *Nonprofit Enterprise in the Arts* (New York and Oxford: Oxford University Press, 1986), p. 90.

3

THE CHANGING ROLE OF GOVERNMENT IN THE ARTS IN THE 1980s

3.1. Changes in Public Policy: The Reagan Administration and the Thatcher Government

In this present crisis, government is not the solution to our problem; government is the problem. — Ronald Reagan, inaugural address, 1981[1]

After Ronald Reagan and Margaret Thatcher came to power in 1981 and 1979 respectively, they continued their successive terms of office under the dual banners of reducing public spending and expanding the private sector. The policy of privatisation on their political agendas has not only re-defined the role of the state in every aspect of economic and social life in contemporary American and British society, but also extended into the cultural landscape of both countries. The previous social-democratic/liberal assumption, that access to the arts, like that to any other public service provided by the state such as education, is a fundamental right of every citizen, has been profoundly challenged. This is especially true with regard to the arts in Britain, since the British government had directly provided arts organisations with their operating costs since the establishment of the Arts Council of Great Britain in 1945.

In the Thatcher years public-funded arts institutions, whether they liked it or not, were forced to expose themselves to market forces and adopt the competitive spirit of free enterprise. To move the arts world into line with the enterprise culture, both the Reagan administration and Thatcher government cut the budget for direct arts subsidies, which were perceived not only to have weakened initiative and created a culture of craven dependency among the subsidised bodies, but also to have discouraged or driven out potential supporters from the private sector.[2]

While one can well argue that budget cuts were being exercised across the board rather than being specifically targeted at the arts, both Reagan and Thatcher made persistent efforts to ensure that sufficient incentives were implemented to lure private money in this area. Their efforts can best be illustrated by changes in public policy related to the arts, especially tax policy, during their terms of office, and by the associated use of political influence and symbolic power which they both commanded as heads of state or government. If the former seems to be black-and-white and thus self-explanatory, the latter is more than mere speculation. The importance of this political posturing must not be underestimated. Exclusive government receptions given in the name of the arts provided businessmen with unique occasions to meet leading politicians (and the royal family in Britain) in a seemingly non-political ambience and thus, it was hoped, open up a pathway to the corridors of power for them. This was both tacitly understood and explicitly stated by government and business.

The Arts under the Reagan Adminstration

When he was still Governor of California, Ronald Reagan already preached the gospel of less government interference and poured scorn on intellectuals and liberals. He was once quoted as saying that he was not "in the business of subsidizing intellectual curiosity."[3] In response to *American Arts* magazine's questions to presidential candidates in 1980, Reagan criticised the "populism" of the Carter administration. While stating that federal arts funding might have a steady annual increase under his administration, his allegiance to private arts support was unequivocal: "Support of the arts by the private sector is very uneven. I would take a personal interest in encouraging individuals and corporations to provide support."[4] No sooner had he assumed the presidency of the United States in 1981 than his avowed intention to increase federal support evaporated. Instead the administration, with unabashed candour, carried out its agenda of corporate soliciting.

What the Reagan administration first proposed for the National Endowment for the Arts, along with its sister agency the National Endowment for the Humanities, was a fifty percent cut in the fiscal-year 1982 budget of $175 million, as had been requested by the Carter administration, paring it down to $88 million, and from the fiscal year 1984 onwards the Endowment's budget would be held at $100 million.[5] The Reagan White House also requested the abolition of the Institute of Museum Services. There was even widespread suspicion that the Administration intended to abolish the two Endowments altogether.[6] This drastic budget cut represented a sharp reversal of federal policy on public funding for the arts, which had been expanding since the Nixon administration. The sum involved, compared to an overall federal budget of $700 billion, was minuscule, and even abolishing the entire agency would in no way have substantially reduced a projected deficit of $40 billion.

The meaning of these draconian cuts has thus to be understood in relation to the administration's own particular ideology. Firstly, Reagan's political allies claimed that the Endowment programs had been "politicalised" under the Carter administration and redirected towards developing arts for social rather than for artistic purposes. In response, the right-wing think tank the Heritage Foundation came up with a "new" arts policy: "The arts that NEA funds must support belong primarily to the area of high culture. *Such culture is more than mere entertainment...* [italic added]"[7] The implication was that funding of art for "social purposes" had in the past led to expenditure of public funds on unworthy projects — "mere entertainment."

Secondly, the public ownership of the arts provided by the Endowment was deemed to be a disincentive to private support, and thus contrary to the free-market driven policies of the Reagan administration. To revise the federal arts policy completely, the administration had severely to prune the Endowment financially. As the Office of Management and Budget (OMB) put it: "This policy [of the NEA and the NEH] has resulted in a reduction in the historic role of private individual and corporate philanthropic support in these key areas. The reductions would be a first step toward reversing this trend."[8] Declaring federal cultural support to be a "low priority item," the OMB thus decreed that the NEA programs had to suffer the largest single cut, proportionately speaking, in any government agency.

Having threatened to halve the 1982 budgets for both Endowments in February 1981, the OMB further announced their intention to rescind about $6.6 million from the NEA's existing 1981 fiscal year appropriations in June, a decision which was however overturned by Congress.[9] Nor did the President succeed in the proposed-50 per cent reduction of the Endowments' 1982 budgets, thanks to the concerted efforts of the arts lobby. The Art Endowment's budget was eventually set at $143 million, representing a reduction of only 10 per cent.

The favourable outcome for the Endowments did not induce the administration to abandon its ideological battle lines over arts funding. In February 1982, the OMB proposed a 30 per cent budget cut for the Arts Endowment, a 27 per cent cut for the Humanities Endowment, and, again, the termination of the Institute of Museum Services for the fiscal year 1983. The administration stated its message in no uncertain terms: "These reduced levels of funding reflect the Administration's intent to encourage direct beneficiaries and the private sector to make larger contributions to cultural activities."[10] The attempts of the Reagan White House to reduce the federal arts budgets, despite opposition from significant elements in Congress, did not abate throughout Reagan's two terms in office.

In the wake of the proposed 50 per cent cutback of the two Endowments, Reagan established a Presidential Task Force on the Arts and Humanities in May 1981. The President charged this Task Force with studying the possibility of restructuring the two agencies and recommending ways to "increase the support for the arts and humanities by the private sector."[11] As a result of the Task Force's report, a President's Committee on the Arts and the Humanities was set up with a similar mandate in the following year. The Committee, described as "the President's troubleshooting team for the arts and humanities," had a limited role in the public art funding debate, however.[12] It had a small staff and a modest budget. Yet its underlying meaning and political potency are not to be found in its formal structure, but in the very fact that, being a president's committee, the Committee had, as its deputy director Malcolm Richardson pointed out: "direct access to the political players over in the White House" and was not just "a small outlying appendage of the government."[13]

This access to the highest office in the land no doubt has its political appeal. On the one hand the Committee's memberships read like a *Who's Who* of the American corporate community, and included the chairmen or chief executive officers from blue-chip companies such as the Mobil Corporation and the Times-Mirror Corporation, in addition to celebrities from the arts world.[14] On the other hand, the Committee was a "delightful place" for the President to reward his political supporters and give presidential recognition to the private-sector contributors.[15]

The significance of presidential recognition was indeed emphasised by the Presidential Task Force's report in 1981.[16] Both as the head of state and as a celebrity at the heart of high society, Ronald Reagan commanded enormous political influence and symbolic power. The appearance of the President or First Lady could therefore confer kudos on any arts event, and provides its participants with a kind of quasi national stamp of approval.

This exercise of symbolic presidential power had come to be considered by the administration as an effective way of raising money privately, and to give the same sort of artistic imprimatur as a NEA grant used formerly to confer. To quote Frank Hodsoll, chairman of the Arts Endowment appointed by Reagan and an insider close to the very centre of power in his administration: "I think you will see this Administration — the White House, the First Lady, and occasionally the President — getting into the act to encourage people, whether individuals, corporations, or foundations, to give more."[17]

Soon after the proposed cut for the Endowments was announced, for example, the Reagan White House hosted a mammoth fund-raising gala for Ford's Theatre in March 1981. The President was reported to have seized every opportunity to plead for corporate dollars as he urged on the audience: "We need this private support for the arts to continue in years to come."[18] These presidential festivities entertained not only an impressive list of performers and political movers and shakers, but also nearly 100 major companies, ranging from Alcoa to Xerox, with some of them having reportedly paid up to $5,000 for a seat.

Not surprisingly, when the corporate giant Philip Morris had an art show opening in Washington in June 1981, Reagan also gave a reception in the White House to boost morale.[19] The incessant fanfares at the White House not only deflected criticism of his ideological stand against public arts funding, but inevitably helped to legitimise corporate intervention in the contemporary culture of American society.

Trivial as this may seem, the truth is that the rôle of government vis-à-vis the arts had been re-defined by the Reagan ideology. The government was acting as fund-raiser rather than simply as funder, and the federal agency, the Arts Endowment responsible for the arts, had effectively been replaced by the personal aura of the President, and removed from the arena of open democratic debate.

The grandest of these presidential gestures came when twelve artists and art patrons were honoured at a White House luncheon in May 1983, and given *The Presidential Award for Service to the Arts*, a new honour devised by the administration.[20] The Texaco Philanthropic Foundation, the Dayton Hudson Foundation and Philip Morris were among those honoured as art patrons. The inclusion of three companies (or their foundations) underlined the prominent rôle that the business sector was expected to play in the administration. Perhaps to no one's surprise, it was Philip Morris — the company whose slogan for its arts projects is "It takes art to make a company great" — that was honoured first by the President (fig. 3-1).[21]

To further consolidate presidential endorsement for artists and art patrons (which, as Frank Hodsoll put it: "the President is rather good at..."), Reagan then proposed to transform this original series of one-off awards into a National Medal of Arts. This was approved by Congress and enacted into law in 1984 as an on-going programme.[22] The significance of these Medals was succinctly summed up by one of their recipients, the film director Gordon Parks, in 1988: "We need more medals and less money, as far as some artists are concerned."[23]

To elicit higher levels of corporate donation, the Economic Recovery Tax Act of 1981 raised the deduction ceiling for charitable contributions for companies, either cash or benefit-in-kind, from 5 to 10 percent of a firm's taxable income.[24] This statutory limitation, moreover, was not as binding as it appeared to be, since any excess contribution of more than 10 percent in a given year could be carried over to each of the following five years.[25]

Nor, without reference to the historical context, can these figures in themselves demonstrate the full extent of the Administration's determination to encourage private donations. At the time of the legislative amendment in 1981, forty-five years had elapsed since the Federal Revenue Act of 1935 first allowed the five percent deduction for corporate donations to charitable causes. However, the evidence is that corporate donors had always been giving much less than the limits would allow, and that their contributions had remained stable at about one percent or less for the previous decades (see Table 3.1).[26]

There was a modest rise in corporate contributions as a percentage of pre-tax income from 1 percent to 2 percent in the 1980s (see Table 3.2). Yet, Michael Useem, a sociologist at Boston University, pointed out that "changes in the deductibility elements of federal law may or may not alter giving patterns."[27] The extent to which the growth that occurred is directly attributable to the change in the law is unclear, and there has not been enough research in the area to draw any definitive conclusions. This is because there are several different factors that affect corporate giving, and the tax law in question is only one of them.[28] For instance, according to Useem, corporate income taxes can have a direct bearing on corporate art contributions. In 1981 the overall effective corporate tax rate was 35 percent on average. While pharmaceutical companies were taxed at a rate equalling 36 percent of their income, commercial banks were taxed at only 2 percent. In that year pharmaceutical companies gave relatively more than the banking sector (1.76 versus 1.32 percent of their pre-tax net income), and this may have been partly as a result of their relatively higher tax rate.[29] The point is of significance in that the more a company has to actually contribute in giving, when tax deductions are taken into account, the less a company gives, a theme to which we will return later. Thus, when the Administration amended the tax law relating to corporate contributions in 1981, on the assumption that higher corporate giving would ensue from favourable tax write-offs, it was actually indulging in wishful thinking.

Margaret Thatcher and her Arts Ministers

Some months before the 1979 election, Margaret Thatcher assured Kenneth Robinson, the then Chairman of the Arts Council, that her government would continue to support the arts, since she did not believe that "it will make sense for any government to look for candle-end economies which will yield a very small saving, whilst causing upset out of all proportion to the economies achieved."[30] Despite her pledge, arts expenditure for the year 1979-80 was to be reduced by almost £5,000,000, including a drop of £1,114,000 in the Arts Council's annual grant.

To dispel accusations that she would become one of the most philistine Prime Ministers of the century, Thatcher pledged her approval of state subsidies in her first speech on the arts after she became Prime Minister at a Royal Academy banquet in May 1980. But her view of state patronage was categorically clear: "You cannot achieve a renaissance by simply substituting state patronage for private patronage."[31] Thus the Prime Minister in the same speech praised the historian Hugh Thomas, who not long before had refused to accept a sizable prize of £7,500 from the Arts Council "on the grounds that it was a matter of principle for him that artists should not take public money."[32]

Thatcher's view was further articulated and trumpeted through her Ministers for the Arts, who changed six times during her eleven and a half years at Downing Street.[33] This is no surprise as one of her famous adages was "one of us," a category open to continuous reinterpretation. Her third Arts Minister, Lord Gowrie, for example, was reported as saying that he was "an orthodox member of this government in terms of economic thinking."[34]

In an interview with Frances Gibb of the *Daily Telegraph*, the first of Thatcher's Arts

Ministers, Norman St John-Stevas, made his stand for commercial sponsorship without reservation:

> State-side expansion has come to an end. While the public support policy will continue, in this economic and political climate it will be totally unrealistic to look to the public sector for large sums. We must look to the private sector for new sources of money. That's where the possibilities for the future lie.[35]

The "private sector" referred to here by the Minister includes, of course, both wealthy individuals and businesses. But it is to business that the government primarily looked by introducing substantial measures to stimulate their support.

The Arts Minister soon launched an aggressive campaign to persuade the business sector to invest in the arts. No means of communication were spared as the Minister remarked: "Our task will be to explain and clarify, by means of leaflets, conferences, seminars, advertisements, newspaper articles, research projects, consultancy sessions, and various other devices."[36] The crusade was intended to boost arts sponsorship, estimated at around £4 million to £5 million in 1979, to double that figure for the coming year.[37]

In its drive to propagate the message, the Government awarded a special grant of £25,000 to the Association for Business Sponsorship of the Arts (ABSA), a "private" enterprise designed to promote arts sponsorship, which we shall consider in more detail later. The Arts Minister revealed that this was only the first step in his campaign and promised the association "all possible support."[38] As Kenneth Gosling, *The Times*'s correspondent pointed out, it is paradoxical that the ABSA, whose aim it was to extract money from non-governmental sources, should "procure a cheque from the Government in order to maintain itself."[39] The paradox, however, does no more than reveal the fragile base of corporate arts sponsorship in the early days of the Thatcher era, in sharp contrast to the dominant position that business came to occupy at the end of her period of office.

Another plan of the Thatcher government was to establish a massive City-financed arts trust, possibly capitalised at as much as £500 million. The Arts Minister eagerly wrote to the chairmen of banks and held meetings with them, only to receive a cool reception. What is illuminating in this abortive endeavour is not only the blind enthusiasm of the Conservative government, but also the fact that business turned out to have a very different agenda when it came to giving money to the arts. To quote one senior banker: "We all undertake our own sponsorships and in each case our preferences show through."[40]

To raise the profile and recruit captains of business to join the race, a 14-strong unpaid sponsorship committee was established and chaired by the Arts Minister. The advisory group, like Reagan's Arts Committee mentioned earlier, was a "Committee of Honour" and it served an essentially symbolic function. What really counts is not what a committee does, but who is on the committee. It is thus no surprise that such big names in commerce as Sir Nevil Macready, managing director of Mobil Oil, Sir Charles Forte, executive chairman of Trusthouse Forte, and Colin Knowles, former head of public affairs at Imperial Tobacco, were included.[41]

At the same time, as part of the Minister's campaign, the Office of Arts and Libraries (OAL) produced 25,000 copies of a booklet entitled *The Arts Are Your Business*, extolling the benefits of business sponsorship, and these were widely distributed to industry and commerce. The Government did not lose sight of the bottom-line concern of the business sector, and the booklet spoke in business terms, since the Minister did not wish to suggest that "all support of the arts from the private sector is or should be provided on a wholly disinterested basis."[42] Among the many "real and quantifiable commercial" benefits listed in the booklet, perhaps the most significant, which the Minister elaborated on in his preface as well, was the tax relief for businesses which supported the arts.[43] The Government stressed in no uncertain terms that it was now making covenanted payments "more generous in order to encourage private giving."

St John-Stevas's initiatives arguably provided the blue print of the Tory programme of arts privatisation. However, his immediate successor, Paul Channon, had a rather low profile, and Lord Gowrie, given his "mysterious resignation" in 1985, did not stay in office long enough to implement any significant change, although it was during his tenure that the Business Sponsorship Incentive Scheme was launched in 1984.[44]

Lord Gowrie's successor, Richard Luce, who came into office in 1985 and "knew nothing about the job," ironically turned out to be the longest serving of Thatcher's Arts Ministers.[45] At the time when he was beginning to grasp his job, he shocked the arts world in a 1987 speech outlining the Government's arts policy for the next five years with a quintessential dose of Thatcherism:

> There are still too many in the arts world who are yet to be weaned from the welfare state mentality.[46]

Describing his plan as "a new departure in arts funding," the Minister introduced so-called "incentive funding," or "challenge funding," alongside a three-year funding system for the Arts Council.[47] The scheme, which earmarked £5 million from the Arts Council's budget, was directly related to his call for an end to the "mentality of the 1960s and 1970s."

What the "new climate" required, according to the published plan, was that arts organisations become more "financially enterprising" and "improve their commercial management skills," thereby developing "a sustained and reliable income from the private sector."[48] The incentive funding scheme, which was to be administered by the Arts Council through two types of funds, the *Enterprise Fund* and the *Progress Fund*, was to match "one Enterprise pound" for every two pounds raised from private sources.

Although the scheme was hailed as a "new" arts policy, it was neither "new" nor an arts policy, since it was designed to put the arts as far as possible at the mercy of the market place. The concept of "challenge grant" had been in place in the United States for years, with the National Endowment for the Arts setting up a specific challenge grant program in 1976.[49] Moreover, for all the emphasis the scheme placed on income generation, it was the most financially successful companies that would be rewarded generously by public money. The whole plan had more to do with economics than with the arts.

Before turning to a discussion of tax changes relating to the arts under the Conservative regime, some account needs to be taken of the ways in which the Thatcher government exercised political power in order to create the impetus for private arts funding. In the United States Reagan was the head both of the state and of the administration, but in Britain, although Margaret Thatcher was the head of government, the Queen is the official head of state. Whereas Ronald Reagan raised funds for the arts by hosting extravagant galas at the White House, the corresponding role in Britain would be divided between the royal family, the Prime Minster, and to a lesser extent, her Arts Ministers. A combination of the presence of the Prime Minister and the Prince of Wales, the future king, is the highest symbolic acclaim that any business could hope for in this country.

In 1986, for example, Mrs Thatcher invited the chairmen of 53 of Britain's leading companies to 10 Downing Street to launch a Per Cent Club, an imported American practice of corporate giving, in which companies commit themselves to contributing at least half of one percent of their pre-tax profits to the community, including the arts.[50] The approach of the club was very much in line with Government thinking, and by the very action of issuing invitations herself the Prime Minister gave it her full support. Not surprisingly Prince Charles was invited to give a lecture in the following year to boost morale.

As in the United States, this (prime) ministerial symbolic support, coupled with the dark art of media manipulation, was exploited by the Conservatives to cultivate arts sponsorship. Speculative as this claim may seem to be, it is actually confirmed by a government publication on the Business Sponsorship Incentive Scheme (BSIS) which was intended to woo business: "Sponsors are presented with commemorative certificates and are photographed with the Minister. MPs and the national media are invited to these prestigious events."[51] The ceremonial function performed by the Minister was shown in its true colours by the former Arts Minister, Timothy Renton, when he said, albeit in a bitter moment: "In a way you did your damnedest to fight for all the money you could get with the Treasury... for the rest of the year you were rather like minor royalty. You were asked to open things, bless statues. There are plaques all over the country that have been unveiled by Ministers of the Arts..."[52]

On occasions Margaret Thatcher would make the presentation at such receptions, such as when she presented Derek Hornby, chairman of Rank Xerox, with a BSIS certificate at a reception in Edinburgh Castle in 1987. Her presence not only gave the businessmen considerable publicity, but also encouraged them to keep the bandwagon of arts sponsorship rolling.

Such political symbolism reached its peak towards the end of her term of office when Thatcher attended the festivities accompanying *British Days in the USSR* in Kiev in 1990, a £7 million mammoth trade show combined with cultural celebrations such as an English National Opera tour, funded by the Conservative government and topped up by corporations like Rank Xerox.[53] The meaning of the presence of Margaret Thatcher and the Princess Royal, and indeed the essence of the whole sponsorship deal, was vividly summed up by Thatcher's appointee, Peter Palumbo, the then chairman of the Arts Council: "Rank Xerox realizes that with the Prime Minister there to open this month of festivities, with the Princess Royal there, and with very few photocopying machines in the Soviet Union, they stand an extremely good chance of getting to a market that is virtually limitless."[54]

Relaxing Tax Regimes

While specific tax and legal provisions will be dealt with in detail later, the general issue of tax policies with respect to the arts must be considered here, in particular those tax provisions which affect charitable giving, charitable contributions in America, and deeds of covenant and the Gift Aid scheme in Britain.[55] It is not only because, in translating the Republican and Tory policies into law, these fiscal measures, more than anything else, were central to both governments' commitment to privatisation, but also because using tax-based mechanisms to encourage private support for the arts, or charities in general, has far-reaching implications.

First of all, any donation to charities eligible for tax relief is a form of disguised public subsidy, since the government actually contributes part of the donated money by allowing the donor (individuals/corporations) to write off the contribution when computing their income for tax purposes. In the American system of contribution deductions, for instance, the donor channels the entire donation, say $100, to the charity in one payment, including the taxes ($50, if the donor's tax rate is 50%) that would otherwise be payable to the Internal Revenue Service (IRS) and the donor's (net of tax) private contribution ($50). The donor then deducts $100 from his chargeable income when submitting his tax return to the IRS (see example below). The government's contribution to charity is thus obscured.

```
Example: Charitable Contribution Deduction, Donor Tax Rate= 50 % [56]

          Donor                    Charity

Donor earns:   +$100
Donor pays:    - 100 deductible ------------> +$100 received by charity
                     contribution
Donor pays:    -  50 withheld taxes
                     (50% x 100)
               -  50
Donor gets:    +  50 reduction in annual         <
                    income tax (50% x 100)

          Government

Gov't receives:+$ 50 withheld    <
                      taxes
Gov't rebates: -  50 reduction in
                      donor's income tax
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These hidden subsidies, or as Alvin Tofler calls it, "patronage via the backdoor," are by no means insignificant.[57] According to a Twentieth-Century Fund report, tax expenditure, or in other words revenue lost through various arts-related tax incentives or exemptions,[58] provides more than twice the amount of direct subsidies to the arts from all levels of government in the United States.[59] As a result of the obscurity of these mechanisms, most American art institutions have never been made to recognise the degree of their public subsidies, and the extent to which they are a "private" enterprise rather than a "public" one is always confusingly ambiguous, a crucial issue to which we shall return when we explore art institutions' relationships with corporations in the next chapter.

Secondly, tax foregone is hidden from any public scrutiny and is beyond government control, since it goes to whichever body the donor nominates and endorses. Given the graduated rates in American tax law, rich taxpayers have power over many more government dollars for each dollar of their own in their charitable contribution than poor taxpayers.[60] Accordingly tax deductibility in America increases the decision-making power that the wealthy already have.

A powerful effect of this, and the most democratically questionable, is the behavioral differences that it has brought about. About half of all philanthropic gifts are made by poorer people to religious foundations, while the better-off tend to give more to civic, cultural and artistic causes.[61] While the issue of social fairness involved is a matter of concern in its own right, it is of particular relevance to the discussion here in that it highlights one of the reasons why businesses have attempted to associate themselves with art institutions. In the same way as the upper-middle class has chosen and favoured arts institutions, whether they appear as their trustees, donors or visitors, so has business. It is this spectrum of people who count in the business mind. Unfortunately I have been unable to find any comparable statistics for Britain.

This tax incentive regime, with its private outlook, underpins the bulk of philanthropic giving in the United States, distinguishing it from the rest of Western European countries in arts funding.[62] It was precisely this model of pseudo-private support that the Thatcher government and its supporters looked to with envy when struggling to raise private money. It stands in stark contrast to what the Conservatives explicitly opposed in the 1960s:

> We are not in favour of this country following the American example of allowing individual citizens to set against their income tax liabilities the money spent on buying works of art [for eventual donation]... It enables very rich people to buy works of art for their personal enjoyment during their lifetime more or less at the taxpayer's expense. The national collections should be added to by curators, not by business tycoons.[63]

The major tax incentive device in Britain is the deed of covenant, through which companies can give donations to charities, most British arts institutions, including art museums and galleries, being legally registered as such. A deed of covenant binds a covenantor to make donations to a charity over seven years since the *1922 Finance Act* introduced this form of legal agreement for the first time.[64] This distinctive feature of long-term commitment (instead of one-off donation) has provided arts organisations, and charities in general, with an assured source of income over several years, and was the principle invoked by Lord Goodman in his report arguing for covenantibility over deductibility.[65]

In contrast to the American charitable contribution deduction, in the British deed of covenant the donor makes a payment to the charity net of the basic-rate income tax and pays the tax to the Inland Revenue, which the charity concerned can then reclaim from the Inland Revenue (see example below). The British system thus has the advantage of clarity as regards the origin of the funds in that it separates the flow of money into two streams: the private contribution flowing from the donor to the charity, and the tax foregone flowing into government and reclaimed by the charity.[66] Despite its bureaucratic cost, this distinction is significant not only in that the government contribution is unmistakable, but also because the charity has control over the taxes which it claims back from the Inland Revenue, with none of the donor restrictions that often obtain in America.

Example: <u>Charitable Contribution Deduction, Donor Tax Rate= 30% (Basic rate)</u>[67]

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                    Donor                                Charity
Donor earns:        +£100
Donor pays:         -  70 net covenant  ------->   + £70 net covenant
Donor pays:         -  30 income taxes         > +  30 reclaimed by
                         (30% x 100)                    charity
                                                   ----------------
                                                   + £100 received by
                                                          charity

                   Government
Gov't receives:+£30 income taxes <
Gov't pays:     - 30 to charity
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However, these distinguishing characteristics have been eroded by successive tax changes under the Thatcher government, which single-mindedly devoted itself to "liberalising" the tax regime for private giving. The first Finance Act, introduced in 1980, substantially shortened the minimum covenant period from seven to no less than three years. The amendment was designed to make the scheme more attractive to the donor, since in a world of economic uncertainty, it is reasonable to assume that one does not want to be tied down by financial commitment for a long period.[68] The *1980 Finance Act* was a watershed for British charities, since it also re-introduced relief for the higher rate taxpayer which had been withdrawn in 1946, with the same effect as the graduated tax rates in America, where it costs richer people much less than poorer people to give to charities.

Under the *1986 Finance Act* the companies (other than close companies)[69] were further allowed to deduct charitable contributions up to a limit of 3 percent of dividends paid.[70] This significant measure, providing an easier alternative to charitable giving than the more onerous contractual agreement through deeds of covenant, brought the British system into line with American contribution deductions. Given such a historic departure, subsequent Finance Acts only served to relax tax law still further.

The Finance Act of 1987 introduced a completely new method of tax-effective giving to charity in the workplace, known as the Payroll Giving scheme (or Give As You Earn). Taking advantage of the workplace as a convenient collecting point, the scheme allowed donations to be deducted from the employee's income by the employer and passed on to a charity of the employee's choice.[71] This change deserves note here insofar as corporate giving does not operate in isolation, and one cannot understand the full significance of the Thatcher government's resolution in pursuing private money without understanding how its tax reforms related to individuals.

The advent of the decade of 1990s witnessed one further Conservative tax reform as the Gift Aid scheme came into effect on 1 October 1990. This scheme, which designated tax relief for non-close companies, already introduced in the *1986 Finance Act* as Gift Aid, is far from being simply an exercise in semantics. By extending relief to close companies and individuals, the scheme seeks to lure all private sector businesses with a bait of tax redemptions. The statutory limitations, according to which each single cash gift has to be at least £600 and the total of gifts in any tax year does not exceed £5 million, was soon to be considerably relaxed.[72] The minimum of £600 was reduced to £400 with effect from 7th May 1992, and to £250 from 16th March 1993, and the *1991 Finance Act* furthermore abolished the upper limit of £5 million altogether, an unusually generous tax incentive and virtually unprecedented in other European and North American countries.[73] It is tempting to see this as the last step in the Conservative government's design to privatise culture. What is uncertain is the effect of the Gift Aid scheme on private giving. Will it completely replace deeds of covenant? The answer to this question will not be known for another decade or two.

As if it were too impatient to wait for the results of tax relaxation to come through, the Thatcher government set up a Business Sponsorship Incentive Scheme to hand out cash inducements for business sponsors in 1984 beyond those already indirectly provided by the tax laws. The scheme, run by the ABSA on behalf of the OAL and the present Department of National Heritage, matches sponsors' money at different ratios, in particular favouring first-time sponsors. The maximum sum for any single sponsorship can be up to £35,000.[74]

The position of the Government is crystal clear: one of the criteria for assessing applications is that the BSIS award should be of some significance in attracting sponsors, since the scheme is not intended as a reward for arts groups, but rather to provide greater value for corporate money.[75] The proposed use of the award money should therefore provide "greater benefits for the sponsor."[76] The benefits in question include such things as an extra event, extra advertising of the sponsored event, or the extension of a tour to further venues to "ensure that businesses receive a better value sponsorship." For instance, the TI Group, the engineering conglomerate, was rewarded with £20,000 for its sponsorship endeavour at the Royal College of Art in 1992. The company in turn used the money to mount two annual exhibitions at the College and credited itself as sponsor.

Unlike the American matching grant model, on which it was patterned, and in which public sources lead, the scheme virtually entrusts business with the power of using taxpayers' money. In other words, the Government is putting public money into the corporate purse, and this companies can then avail themselves of for their advertising campaigns. What makes the scheme all the more intriguing is its manifest contradiction of the Thatcherite logic of the free market. For all its ideology of non-interference, government does in fact intervene in ways that massively benefit the corporate order.

The willingness of the Thatcher Government to follow the American style of arts patronage has, I hope, been clearly demonstrated. Its ideological commitment has even led to its outstripping the model it sought to emulate. In any case, it is clear that corporate power, which is primarily based on financial capital, has been substantially strengthened by public policies under both the Reagan Administration and the Thatcher Government. To map out the effect of such changes in policy on public art institutions, we must now turn to an examination of the Arts Council of Great Britain and the National Endowment for the Arts in the United States.

3.2. The Arts Council of Great Britain and the National Endowment for the Arts

The predilection for privatisation in the cultural sphere that Reagan and Thatcher shared is nowhere more evident than in their policies toward the NEA and the ACGB respectively. The transformation of these public arts agencies into paragons of arts privatisation was to take place at every level, from the organisational to the ideological. Nonetheless any radical changes in public arts funding were likely to run up against vigorous resistance, as evidenced by the abortive attempt of Reagan's administration to abolish the NEA. Both the Reagan and the Thatcher administrations therefore decided not to opt for major structural re-organisation, but to use existing organisations as instruments for their policies.

As the priorities and policies of both agencies are largely shaped by the chairman/secretary-general and the senior staff which he or she hires, Reagan and Thatcher, to alter their direction, had only to install political placemen in the two agencies, who would in turn hire staff that reflected their political orientation. Thus, although the formal structure of the agencies remained the same on the surface throughout the '80s, their inner mechanisms and aspirations were undergoing a radical change. Apparently in both cases the agencies witnessed an increase in the chairmen's power. The potential for this was already present within the organisational structure, but it had not been used in such a blatant way for political reasons before.

During the '80s both institutions had taken, or more precisely, had been forced to take, active steps to advocate private support, especially business sponsorship, both for themselves and for the arts bodies they funded. Although there was some rhetoric from both agencies about encouraging private support in the pre-1980s period, it was more the result of financial restraint than of political ideology. That came later.[77]

The thrust of this ideological commitment was not just a matter of extracting more arts money from the private sector. Unwavering faith in the marketplace, shared by both the Reagan and Thatcher administrations, compelled both agencies to run their affairs in a more business-oriented manner. Agency bureaucrats in the '80s patently spoke in a totally different language. Gone were the arguments of money for value, instead came monetarist talk of value for money. To quote from the Arts Council's own statement: "The arts are not different; they are competing with everybody else for the consumer's time, interest or money, and an effective marketing programme must be at the core."[78] The catch-phrases of the new order of Thatcherism and Reaganism were therefore entrepreneurial skill and business acumen. The signal of this transformation of the public arts agencies could hardly have been clearer: one of the Arts Council's publication in 1987, announcing the £5 million incentive fund, is succinctly entitled *Rewarding Enterprise.*[79]

Thatcherising the Arts Council

The intention of the Thatcher government to impose its ideological template on the Arts Council is unmistakably evidenced by the chairmen it appointed: firstly, the replacement of Kenneth Robinson with Sir (now Lord) William Rees-Mogg in 1982, and secondly the selection of Peter (now Lord) Palumbo in 1989. These appointments were decisive. By statutory provision, the Council is composed of unpaid members and is the governing body of the Arts Council despite its non-executive role.[80] As the head of the Council, the Chairman thus has the ultimate authority of overseeing the institution. To the extent that the Chairman thinks fit to exercise it, his power can determine the direction of the Arts Council and the way in which it works.

Accordingly, without changing its actual structure, the government was able to shape the Council, regardless of the notoriously ambiguous principle of "arm's length." William Rees-Mogg, an outspoken supporter of Thatcher's economic policies, and Peter Palumbo, a successful developer well connected in both the art and business worlds, were both appointees perfectly attuned to the Thatcherite ethos.[81] To quote Raymond Williams, the true social process of British quangos such as the Arts Council is one of "administered consensus by co-option."[82]

Once in position as chairman, William Rees-Mogg did not hesitate to use his power. In 1982-83 he had negotiated privately over a period of months with the then Arts Minister Paul Channon about handing over the Hayward Gallery to the British Film Institute for its planned Museum of the Moving Image. None of the Council members, the advisory group of the Council, were consulted; nor were the Arts Panel or the senior staff at the Council. The secret plan was dropped only after Sir Roy Strong, who had just taken over the chair of the Arts Council's arts panel, threatened to resign noisily if the closure of the Hayward Gallery went ahead.[83] Rees-Mogg's status as chairman was further enhanced by means of a portrait of him by Lawrence Gowing, commissioned by the Arts Council, and at the taxpayers' expense. It entered the Arts Council collection without passing through the normal purchasing mechanisms, and so far it is the only commissioned portrait of a Council chairman in the collection.[84]

It was therefore only logical that Rees-Mogg in turn appointed Luke Rittner as the Secretary General in 1983, despite the dissent of the Council members and the bitter opposition of its staff.[85] Until his appointment to the Arts Council, Luke Rittner was

Director of the Association for Business Sponsorship of the Arts (ABSA), a position he had held since its formation in 1976. The promotion of Rittner from the head of the then obscure corporate sponsorship organisation to that of a national public arts agency with a staff of over 300, remarkable not least because of his youth (he was only 34 at the time of appointment), signalled the persistent efforts of the government to install the principle of sponsorship incentives in arts funding.[86] Rittner, as the founding director of the ABSA, was just the right young man with the necessary business contacts to promote the enterprise ethos in the arts.

The energy of this entrepreneurial doublet in the earlier days was, however, absorbed by the imminent problem of devolution. This was highlighted in 1984 in their publication *The Glory of the Garden*, and the take-over of the South Bank Centre from the Greater London Council, following the abolition of Metropolitan County Councils by the Conservative government in 1986.[87] The result of the pair's efforts in promoting business sponsorship therefore only became clear in the later years of the 1980s, both in the operation of the Arts Council as a whole and that of the visual arts department.

In order to establish a systematic approach to enterprise culture, a new Department of Marketing and Resources was set up in 1987 to help clients' organisations as well as the Arts Council itself to improve their marketing and fund-raising skills. Tellingly, its first controller, Dylan Hammond, was a former account director at the advertising agency Saatchi and Saatchi, whose career to date had been spent in "applying standard marketing techniques to the likes of Schweppes and Allied Breweries."[88] Little wonder that the new department was to be a "promoter of enterprise, partnership and efficiency."[89] The organisational change signified an important step in the Arts Council's long crusade for corporate money. The Arts Council, for all its class-bound tradition, was used as a public resource, but since that time it has allowed itself to become a marketing arm of the corporations. Not only have the Arts Council and the business world coalesced in the name of advancing the arts, but as the national arts funding agency, the Arts Council has urged the subsidised arts organisations in the country to follow suit.

The Arts Council has pursued commercial sponsorship in two ways: firstly through publicising and openly endorsing the practice, and secondly by collaborating closely with business itself. In its 1987/88 annual report the Arts Council addressed itself directly to business people for the first time in its more than forty year history. Subsequently business sponsorship has regularly featured in its various publications.[90] For instance, Ian Rushton, the group chief executive of Royal Insurance, was invited to voice his opinions on business and the arts in the Arts Council 1988/89 annual report.[91] This space, which used to record the activities of the public arts agency, thus became "corporatised," a forum for businessmen to advocate enterprise ideology.

Meanwhile the Arts Council began by practising what it preached — to attract commercial sponsorship for its projects alongside public money.[92] Within the first two years of the existence of the Marketing Department, the Arts Council had successfully attracted sponsorship for its own programmes from a broad spectrum of the business world, including companies such as Coopers and Lybrand, National Westminster Bank and ICI. That it was able to do so is, of course, not surprising as the Arts Council is the single most important definer of contemporary culture in Britain.

When Peter Palumbo arrived as chairman in 1989, he reiterated the need for a concerted effort to pursue sponsorship in his first statement in the Arts Council's annual report: "I am convinced that the way forward for the arts in this country must be by means of a partnership between public and private sector funding."[93] A specific Sponsorship Unit was thus created within the Marketing Department in 1989 "to develop fruitful long-term relationships between the Arts Council and businessmen."[94] Such was the momentum of sponsorship that within a few years the Arts Council had launched several projects financed by companies such as the *Arts Council/Midland Bank Artscard* in 1989, the *Arts Council Award* presented in association with *Prudential Arts Awards* in 1989, and the *Arts Council/British Gas Awards — Working for Cities* in 1991.[95]

Such schemes, especially those awards involving glittering ceremonies, are both news-creating and commercially effective, well known in the marketing field as "brand sponsorship" or "designer sponsorship." They allow companies' names to be unambiguously associated with the event, and, more often than not, give companies full control of it.

A closer look at the specific role that the Arts Council plays in this so-called "partnership" is relevant here. For instance, when every Midland Artscard (fig. 3-2) holder uses the card for the first time, the bank will contribute £5 to the arts. After that, every time a cardholder spends £100 with the card, the bank donates 25 pence to the arts.[96] For all its talk of supporting the arts in the press, the Artscard is just an ingenious marketing strategy designed to enable the bank to break into the oversaturated credit card market by attracting an arts audience, which happens, by and large, to be the affluent upper-middle class, the most welcome customers of any financial institution. To quote its spokeswoman: "At the time we were looking for a new product to appeal to new cardholders and... hopefully end up with a profitable card scheme."[97]

Homogenous as it is, the arts audience is perceived to be much more easily targeted than general consumers. The most reliable way to reach this group is through the arts organisations which such people favour and in which they participate as members. Yet to ask arts organisations to "sell" their membership lists is too nakedly commercial and ethically dubious to be successful. This is where the intermediary role of the Arts Council comes in. When the Arts Council was asked by the bank to write to arts organisations on its behalf to promote the scheme,[98] the "own label" marketing device of the big corporations not only looked less commercial and ostensibly disinterested, but also was legitimised with "state approval." The power relation between the granter (the Arts Council) and its grantees (the arts organisations) was cleverly and successfully exploited by the bank.

It is precisely because publicly funded arts organisations such as the Arts Council function as a branch of the state, in however disguised a way, that business seeks to capture it so as to claim for their arts intervention the legitimacy associated with public institutions. Without the varnish of public credibility provided by association with the Arts Council, this brand marketing could not function so effectively.

Ironically the chairman of the Arts Council actually took pride in this sort of cooperation.

To quote Peter Palumbo: "I applaud Prudential's generous and far-sighted commitment to the arts especially through the Prudential Awards... We are *proud* to be associated with the Prudential Awards through the Arts Council Award."[99] What should concern us in partnerships of this kind is the extent to which the Arts Council has allowed itself to become the tool of business. More than rhetoric is at stake here. Not only have the concepts of sponsorship as a marketing exercise and "altruistic" commitment to the arts become blurred, but also the symbolic power of state institutions such as the Arts Council has been mobilised to validate corporate power, which actually derives from financial capital and is not democratically responsible.

Within the Arts Council, the Visual Arts Department was inevitably infused with the new spirit of enterprise.[100] Unlike other departments at the Arts Council, the Department was heavily involved in generating its own exhibition programmes instead of responding to the initiatives of other organisations through its grant-making mechanisms. Half of its budget had been spent on its own activities. In the changed era of the 1980s, the Arts Council collection and the galleries that it organised had now to go out and find private sponsorship.

For years the Department had directly operated two exhibition spaces in Central London: the Serpentine Gallery in Hyde Park, and the Hayward Gallery at the South Bank Centre arts complex,[101] the latter being at the top of the Arts Council's gallery pecking order. In the mid '80s, Julia Peyton-Jones, now director of the Serpentine Gallery, was recruited on a part-time basis to raise funds for exhibitions at the Hayward Gallery. Subsequently the Serpentine Gallery "went independent" in August 1987, and the Hayward Gallery was handed over to the management of the South Bank Centre in April 1988, which had also taken over responsibility for the Arts Council collection and National Touring exhibitions.[102] These structural changes indicate quite clearly that the Arts Council decided to be consistent with its policy of not being a provider of arts events but a grant-making agency.[103] More importantly, these two galleries had now the "complete freedom" to find commercial sponsors.[104] To quote Antony Thorncroft, *the Financial Times*'s arts correspondent: "There may be no reason why the South Bank should not prove one of the more conspicuous successes of privatisation."[105]

In the meantime, before the Arts Council collection was handed over to the South Bank Centre, the Department was also busily engaged in raising sponsorship for purchases for the collection. In 1987 the Department successfully secured sponsorship from English Estates for the exhibition organised by the regional touring service "Introducing with Pleasure." Although English Estates is strictly speaking a public agency rather than a commercial company, it nevertheless markets itself as if it were a commercial one.[106] Precisely because it is that peculiar creature of Thatcherism, a public institution in the private sector, its sponsorship is all the more illuminating for the purposes of this study.

In addition to exhibition sponsorship, English Estates also donated £15,000 to purchase paintings by Paula Rego and Thérèse Oulton for the Arts Council's collection. For the first time in its more than 40-year life, the department occupied itself with securing "corporate" money to fund purchases for the national collection of contemporary art. For the financial difficulties facing the collection, whose budget had been slashed from £102,000 in the early '80s to £70,000 in 1987/88, commercial sponsorship seemed to be the only way forward. The message was publicly advertised in a leaflet promoting the collection and English Estates' sponsorship: "Private patrons and public company sponsors are now actively sought for such purchases. Sponsors are credited wherever and whenever acquisitions made with their funds are on view."[107]

This first sponsorship money is significant, although it was curtailed by default as a result of the peculiar and muddled British way of arts funding.[108] Within the new structure of the South Bank, the Centre raises sponsorship for the running of all the units which form the Centre, which means that the sums of money that it has to raise must be considerable. The unit which oversees the Arts Council collection is, therefore, discouraged from seeking sponsorship for its own purchase fund because any money raised would go into the Centre's general fund instead of purchasing works for the collection. But for the capital-hungry public collection, the need to raise commercial money is always present. Commenting on the difficulties inherent in the structure of the South Bank Centre, the curator Isobel Johnstone pointed out: "Rather than getting no money at all, perhaps we ourselves are becoming more involved to get some small sums of money."[109]

Ironically, while its curator had been seeking funds from the commercial sector to maintain the collection, the chairman of the Arts Council, Peter Palumbo, ventured to cash in on the collection. With works in the collection by star artists such as Francis Bacon, Henry Moore and David Hockney, the developer-chairman did not lose sight of its market value; a Bacon could have fetched £3.5 million at the time. He decided either to sell it or set it up as collateral against the loan for the Opera House, regardless of his earlier praise of the collection: "the Council *values* its Collection for the enormous pleasure the works bring to thousands of people each year [italic added]."[110] Lord Gowrie, the chairman of Sotheby's, was invited to start a valuation.[111] In the event the sale was terminated not because the public ownership of a contemporary British art collection mattered to the entrepreneurs of the '80s, or because it was an insult to a 40-year commitment to public collecting, but simply because Palumbo learnt that he could not sell the collection, or even if he could, that the proceeds would have gone to the Treasury.

Perhaps the most illuminating example of the commercialisation of public sector arts in the '80s is an internal document from the Visual Arts Department. Writing in 1990, the Department was looking for a development consultant: "to develop new retail and marketing opportunities, to seek corporate, business and trust fund support for programmes of funding and collaborate in new enterprises initiated by the Visual Arts department." The ethos of the enterprise era under the Thatcher government could hardly be stated more clearly.

The National Endowment for the Arts under Frank Hodsoll

The extent of cooperation between the NEA and the business sector in the 1980s is not as pathbreaking as that of the ACGB. This is primarily because the NEA does not provide operating expenses for arts organisations, and its enabling legislation also mandates that it can only provide up to 50 per cent of the cost of any project which it funds.[112] Implicit in this matching grant is the fact that the NEA has always had some sort of partnership with other funding resources, either state arts agencies or the private sector. Indeed, Nancy Hanks, who presided over the Endowment in the '70s, was herself an advocate of private initiatives, perhaps partly because of her long-standing association with the Rockefeller family and the Rockefeller Foundation.[113] As a result, the pursuit of corporate dollars in the NEA's policy during the 1980s was not such a dramatic departure as it was in the case of the Arts Council, but more a matter of intensification of established policy. Nevertheless, there were definite changes in the Reagan era NEA.

The administration exercised control over the Endowment by choosing a political ally of the President to chair it.[114] Frank Hodsoll, who under the Reagan administration would lead the Endowment for eight years from November 1981 to February 1989, came directly from the White House, the first lawyer and the first career government official to assume the chairmanship.[115] He was a former Foreign Service officer for 16 years, had held many positions at the Department of State, and was, before his appointment as NEA chairman, deputy to White House Chief of Staff James Baker.[116]

While denying that he was a "political apparatchik," Hodsoll did not conceal his political loyalty when he testified before the Senate Committee on his nomination: "Needless to say, I would not be here if I did not fully sympathize with what the President is trying to do with regard to that [budget cuts]."[117] His reservations about the record of public art funding were also revealed in an interview: "It's not entirely clear to me that there is anything *vital* that's going to be lost because of the cuts."[118] The fact that Frank Hodsoll came to head an arts endowment without any previous experience in the arts was not apparently of concern to the administration.

Despite insisting that the White House had no political agenda for the arts, Hodsoll brought significant changes to the Endowment. Both Reagan and Hodsoll appointed conservatives to the key positions at the Endowment, people who had a proven track record in their political ideology rather than arts expertise.[119] For example, Reagan named Samuel Lipman, the publisher of the conservative magazine *The New Criterion*, to the National Council on the Arts, an influential advisory committee to the Endowment, and Ruth Berenson whom Hodsoll appointed as the associate deputy chairman for programs was an art critic for the conservative *National Review* and described herself as a "Reagan conservative."[120]

Once in office, Hodsoll was quick to put his personal stamp on the Endowment, centralising the authority within the chairman's office. By statutory provision the chairman had the ultimate authority to make the final decision on all grants, on the recommendation of specialised panels and the National Council on the Arts. In practice, those who had chaired the agency previously had viewed their rôle as nearly automatic in relation to the panel-Council's recommendations and almost never used their power to overturn them. Livingston Biddle, Hodsoll's predecessor, once commented: "I would never think of myself as reversing panel-Council decisions," and he did not remember one instance of his overruling either a panel or Council recommendation during his entire four-year tenure.[121]

Hodsoll did not hesitate to interfere directly in the grant-making process. He took a active role in overseeing and questioning the peer review panels, and his deputy, Berenson, was said to have read "almost all" grant applications before they went to the chairman for approval. In the first year of his tenure at the Endowment, Hodsoll exercised a "chairman's veto" on 20 out of a total 5,727 panel-endorsed applications.[122] Not even a small grant could escape his scrutiny. For instance, the grant of $1,800 for New York's Heresies Collective/Political Art Documentation Distribution, to support a series of public forums at which prominent radical artists and critics such as Hans Haacke, Martha Rosler and Lucy Lippard would participate, was rejected by the chair despite the endorsement both by the peer review panel and the National Council.[123] His veto was criticised as an act of "political censorship" by the group, although Hodsoll inevitably denied that his action was politically motivated.

In other instances the peer panel's recommendations did not even reach the National Council meeting, because they were "hijacked" by the Chairman's office, despite the fact that this was contrary to the legal provisions governing the Endowment.[124] According to Michael Faubion, deputy director at the Visual Arts program, Hodsoll "usually would not intercede unless he felt there would be a political problem there."[125]

Shortly after he became chairman, Hodsoll established an Office for Private Partnership in 1982 "as a way of bringing together the arts and businesses in partnership ventures."[126] The fact that the deputy chairman for private partnership was given the same ranking as the deputy for programs and public partnership demonstrates the seriousness of Hodsoll's aim to strengthen the ties between the Endowment and business. The project unexpectedly failed because, according to an insider, the deputy chair appointed was a "political appointee" whom Hodsoll did not appreciate, and as a result the office lost the high profile it enjoyed at the beginning.[127]

To translate his conservative ideology into the administration of various programs at the Endowment, in particular the Visual Arts Program, Frank Hodsoll brought with him a sturdy faith in the marketplace: the private economy is the proper arena for arts. Speaking at the Conference for the Media Arts in 1983, Hodsoll summed up the NEA's position: "Commercial films are as much art as non-commercial ones... We've got to bring the two together."[128] He thus urged his audience to look to the film and television industries for support.

Interviewed earlier in the same year, he articulated the same agenda for the Visual Arts Program. Stating that there was a natural relationship between the Endowment and the commercial film and theatre industries, he expressed the view that he would like to see a similar relationship established between the visual arts and commercial gallery system:

> We need more input at the Endowment from the galleries. In my view, most artists would like to have a commercial gallery. We need to help artists get gallery representation. For younger artist, peer support... remains the most important element. But in the end, over time, an artist's reputation is made in the market.[129]

To implement his ideas, Hodsoll appointed the artist Benny Andrews as the new director of the Visual Arts Program in the summer of 1982, a position which had been vacant for about a year. Andrews was a firm believer in the market system, and Hodsoll reportedly remarked of him: "Benny is a professional painter with *gallery affiliation* [italic added]."[130] It will come as no surprise that Andrews echoed Hodsoll's sentiment by saying: "The people who set up the alternative spaces, they kept a certain attitude, an anti-commercial attitude. But most artists don't see anything wrong with selling. And it's the job of the Endowment to respond to artists' needs."[131]

Other changes within the program soon followed. The program's Policy Advisory Panel, which makes policy recommendations, changed its name to the Overview Panel, and as a result of the consolidation of the power within the Endowment, its panellists now served at the discretion of the program director.[132] The panel, which had formerly consisted entirely of artists, critics and alternative space directors, for the first time included an art dealer, Ronald Feldman, who was appointed in 1983 to be a voice for the private sector.

Within the program, alternative spaces, later categorised as Visual Artists Organisations by the Endowment, came under close scrutiny.[133] The movement to create alternative spaces, initially generated by artists in the late '60s, was conceived as an alternative to mainstream art museums and commercial galleries, which at the time were either unwilling to take on emerging art forms such as performance art, or were rejected by artists on ideological grounds. But for the conservatives, alternative spaces were, to quote Hilton Kramer, "licensed rebels at the taxpayers' expense," a sort of "negative cultural luxury" and "the permanent wards of the government patronage system."[134]

With the arrival of Hodsoll and Andrews, there was an attempt to force a market orientation on these galleries. Andrews reportedly first sought to provide these organisations with mechanisms for selling the works they showed, only to receive indifference from the directors of these spaces. He then drew up plans to help these organisations to pursue private-sector money. The idea of commercialising these spaces, which were founded in the first place to confront the commercialism of the art world, is paradoxical to say the least.

But during Benny Andrews' two-year term as director of the Visual Arts Program, the most controversial initiative was the suspension of the funding category of critics' fellowships by Hodsoll.[135] The fellowships, initiated in 1972 and suspended for three years from 1981 to 1983, were meant to be reinstated in 1984 on the Overview Panel's recommendation. As the Hodsoll-initiated "agency-wide exploration of fellowships" got underway, John Beardsley, an outside writer, was commissioned to research into the critic fellowships.[136]

Basing himself on the market oriented approach of Hodsoll, Beardsley emphasised the importance of "promoting a criticism that, while intelligent, is also intelligible to the layman," and concluded that the "daily newspapers and mass market periodicals... offer the best hope of an *independent criticism* [italic added]."[137] By quoting Beardsley's report, Hilton Kramer launched a fierce attack on the program in the *New Criterion*, which Samuel Lipman, who, as mentioned earlier, served at the National Council, in turn used as evidence in his attempt to end critics' funding.[138] Siding with Lipman and Kramer, Hodsoll overturned the panel recommendations and put the critics' fellowships on hold indefinitely. Whatever the "merits" of abolishing the critics' fellowships might be, this time Hodsoll did not just overturn an individual grant or two, but the entire fellowships program, a testimony to the power of the chairman and of the "well-placed" conservatives on the National Council.

The first priority of the Visual Arts Program were the fellowships. But the prospect of finding corporate sponsors to match the fellowship money was considered not only difficult but ethically questionable, as the predecessor of Benny Andrews, Jim Melchert, once admitted: "The idea of Exxon-NEA fellowships makes me very uneasy. Many artists would just turn them down."[139] The only exception to this rule within the program proved to be the model example. Along with the Rockefeller Foundation and the Equitable Life Assurance Society in New York, the Visual Arts program co-funded the project *Awards in the Visual Arts* (AVA) from 1982 to 1992. Although conceived before Hodsoll's arrival at the NEA, the AVA was operative under his chairmanship for the greater part of its existence. The combination of private and public support for the arts could not have been closer to his ideal.

The AVA, organised by the Southeastern Center for Contemporary Art (SECCA) in Winston-Salem, North Carolina, was a national annual program to award ten $15,000 fellowships to artists of "significant artistic achievement" in ten designated regional areas encompassing the whole country.[140] The awards were unique in concept. Apart from the money, AVA also provided a tour of seven to ten works by each of the winning artists to three museums across the country, with a well-illustrated catalogue and purchase funds of $5,000 available to the participating venues to acquire works from the exhibitions for their permanent collections.

Largely because of the former NEA chairwoman Nancy Hanks, who, at the time, sat on the boards of both the Equitable and the Rockefeller Foundations, Equitable joined in supporting AVA.[141] According to Miranda McClintic's report in 1985, AVA was one of the Equitable's major programs of arts sponsorship and "the only instance of its support going beyond just giving money."[142] To say that Equitable sponsored AVA for the sake of public relations is to state the obvious. Nor did Equitable's executive, David Harris, who was one of the original founders of AVA, deny this: he expressly stated that Equitable would like more visibility for the program without affecting its artistic integrity.[143] Many AVA exhibitions toured various parts of the country where there were Equitable offices. The company sponsored the receptions at each museum opening of the exhibitions, and these were, according to an insider, "a tremendous cost" on top of the sponsorship money already committed.[144]

More significantly, according to a spokesperson at the Endowment, one of the motivations of its involvement was that Equitable used AVA "as an identification mechanism, to identify artists around the country" whose reputation perhaps was not widespread, but "through the panel and nomination system of AVA, would be identified." Equitable then bought their works to add to its corporate art collection. Understandably Equitable's spokesperson defended Equitable's involvement by saying that it was "not quite as self-serving as that." But the fact remains that between 1979 and December 1984 (the only years for which data are available) when SECCA advised and helped develop its collection, Equitable bought a total of 164 works from 74 artists, which included 13 works by 7 AVA winners and 32 pieces by 15 AVA nominees.[145]

If the seriousness of Equitable's involvement in AVA was in doubt, the company is also reported to have provided SECCA with additional money to purchase a computer system and software, along with consultants, to set up a database to keep track of all the nominated artists. Given the sharp eye it kept on the market as a financial house, it is not too far-fetched to suggest that Equitable was anticipating that those artists whose works they bought from AVA would be tomorrow's blue chips. The combination of the two highly regarded institutions, an established art gallery, SECCA, and the federal art agency, gave AVA an unprecedented credibility, which Equitable would not have secured in any other way. The fact that almost none of those AVA-related works in the Equitable collection has emerged to be "a great investment," in Ms Stave's words, by no means undermines the hypothesis advanced here concerning the motives behind Equitable's sponsorship.

This of course leads to the question of exactly what is public interest and what is private interest, a distinction which had been so blurred in the chase for corporate cash under the Reagan administration. Equitable, while contributing about one third of the cost of running AVA, not only enhanced its corporate image as a "good citizen," but also directly benefited from the award selection, with the taxpayers footing another third of the bill each year through the NEA.

While admitting to McClintic in 1985 that the AVA had not been particularly effective for the company in terms of public relations, Equitable received considerable "adverse publicity" in 1989. One of works in the 7th AVA exhibition, *Piss Christ* (fig. 3-3), by the award artist Andres Serrano, sparked a series of robust attacks from conservatives such as Donald Wildmon, a United Methodist minister and executive director of the American Family Association, which drew the attention of the national media.[146] *Piss Christ*, a photograph of a plastic crucifix submerged in a jar of Serrano's own urine, was seen by its critics as "morally reprehensive trash" and "blasphemy paid for by government." Facing the outcry, Equitable withdrew its support from the museum.[147] As a touch of irony to the drama surrounding Serrano's work, we may note that conservatives such as Representative Dick Armey (Rep. - Texas) when assailing the Arts Endowment in Congress proclaimed: "The arts do serve a role of probing the frontiers, but I would say let that be funded from the private sector."[148]

With the withdrawal of Equitable's sponsorship from AVA, BMW of North America took over its funding role in 1989. In the heyday of corporate intervention in the late '80s, BMW's agenda for AVA was not a small one. As part of the sponsorship deal, the AVA touring exhibitions stopped over at the so-called "BMW Gallery" on Park Avenue in New York every year, in addition to travelling to the three museums it used to tour across the United States.[149] This, of course, put the "BMW Gallery" on a par with the well established public art museums in the tour, such as the High Museum of American Art in Atlanta, Georgia, and the Hirshhorn Museum in Washington D.C., while, in reality, the "BMW Gallery" was a show room of luxury cars in disguise.[150] It is little wonder that only selections of the AVA tours were shown at the "BMW Gallery." Any works not compatible with car selling were unlikely to be shown in such a commercial space.

As the Arts Council of Great Britain and the National Endowment for the Arts are the single most important arbiters of contemporary culture in their respective nations, their active promotion of business intervention in the arts, endorsed and prompted by Reagan and Thatcher's cultural policies, have had a spiralling effect on the national cultural scenes on both sides of the Atlantic. They have set the model for other arts groups to follow and become examples of enterprise. While corporate intervention in the contemporary art world will be the subject of the next chapter and beyond, it is necessary first to look at the trade associations of the business art sponsors in both countries, since these provide businessmen with the forum from which to trumpet their causes.

3.3 The Business Committee for the Arts and the Association of Business Sponsorship of the Arts

As the Arts Council of Great Britain is to the National Endowment for the Arts, so the Association of Business Sponsorship of the Arts (ABSA) in Britain is to the Business Committee for the Arts (BCA) in America. But while the NEA had to model itself on its British precedent, ABSA followed its American counterpart. This contrast is of significance in that it highlights the differences in the traditions of funding of the arts in both countries as they are generally perceived. In the case of the ABSA, seed money had to be injected from the government to get the organisation off the ground.

As the *trade associations* of corporate patrons of the arts, the BCA and ABSA serve basically similar functions: both exist to encourage and develop business support for the arts. An understanding of how both organisations operate is crucial to this study because their very existence has considerably increased the visibility of corporate arts intervention in British and American society. This certainly does not imply that they are in the same rank as the ACGB and the NEA, either in terms of their size or their rôle in the contemporary culture of either country. But it is no coincidence that most of the people in the arts world whom I interviewed almost automatically referred to them as the *ultimate* sources of information on business sponsorship.

It is no easy task to gain access to these essentially for-members-only clubs for either research purposes or to have first-hand information. Despite the fact that the BCA is registered as a non-profit organisation and the ABSA as a charity (with the implication that both serve the public interest), both claim to be "private" and access to their records is very difficult, if not impossible.[151] Why they see fit to operate under such cloaks of secrecy is difficult to ascertain. Moreover, because of the fact that neither association is a grant-making agency and hence not newsworthy, there is a dearth of secondary material on them, except what they themselves or their associates choose to publish. What is presented below must necessarily be considered with this limitation in mind.

The origin of the BCA is significant both in its timing and in its inspiration. Immediately following the establishment of the NEA in 1965, it was David Rockefeller who first entertained the idea of setting up a businessmen's council on the arts. As he stated in an address at the National Industrial Conference Board in 1966: "I would like to propose that we seriously consider the establishment of a comparable organization for the arts — a Council on Business and the Arts."[152] It came as a surprise to no one that the two Rockefeller brothers each provided $50,000 of the initial seed money for the Business Committee for the Arts, which officially opened its doors in January 1968.[153]

In essence, the Committee was, and remains, an exclusive club for the higher echelons of business, although this was not Rockefeller's original intention. This exclusiveness is embedded in the structure of the organisation, since membership is by invitation only. Not every chief executive officer of a company with an arts program can join in, but only the heads of the largest organisations.[154] It is no wonder that by 1990 the BCA had only about 130 members nationwide.[155] Neither is an organisation of this kind intended to open a genuine dialogue between the arts and business, since no arts representatives are included. As G. A. McLellan, its first executive president, remarked:

> We will never be able to get a group like the BCA to sit down with comparable arts organizations for the type of dialogue that we would all like to see happen.[156]

The main purpose of the BCA is reflected in its appointment of McLellan, who came from a PR background, the chief public relations officer of one of the biggest corporations in America. The Committee's own declared purpose is: "to bring information about business support of the arts to businessmen, and to induce them to become actively involved in the arts."[157] This PR function has been central to the BCA's activities since its inception. It represents a conscious and organised effort on the part of blue-chip companies to enhance the visibility of business support for the arts, both in order to convince the unconvinced of its value to business, and to champion the benefactor face of business to the general public. Business concerns are their alpha and omega. One of a series of leaflets published by the BCA in 1986 with the revealing title *Involving the Arts in Advertising* proclaimed:

> Many companies go beyond underwriting arts programs and shows; they also advertise them... By promoting and advertising arts programs, your company not only makes them available to a broader audience... you also make sure your company is not hiding its light under the bushel... If they appreciate your efforts, it may help them decide to do business with you.[158]

Following its American cousin, ABSA was founded by a group of six companies in 1976 to promote and encourage the concept and practice of business sponsorship of the arts in

Britain. The leadership, this time, was provided by Tony Garrett, at the time chairman of Imperial Tobacco,[159] with a start-up grant of £15,000 from the then Labour government. The rôle of Imperial Tobacco in initiating the ABSA is of course highly significant, since the tobacco advertising is not only a contentious issue but also severely restricted by law. As a prominent arts sponsor of the '70s, Imperial Tobacco was keen to ensure that its image as a public benefactor was fully acknowledged. As its spokesman candidly commented: "We are in the business for generating publicity."[160] It is little wonder that Antony Thorncroft, *The Financial Times*'s correspondent pointed out that: "ABSA sees itself as a propagandising unit."[161]

However, unlike the BCA's closed clubbiness, the ABSA's membership is open to all industrial, commercial or business organisations based or operating in Britain, and by 1994 the ABSA had over 300 members, which provided the majority of its finance. Basically modelled on the activities of the BCA, the ABSA advises its business members on sponsorship opportunities, produces publications to champion the practice, lobbies on behalf of members for increased tax incentives, improved sponsorship credits in the media and other related issues.

And above all since 1978, ABSA has presented corporate sponsors with "prestigious" annual awards, in emulation of American practice. The so-called *ABSA/Daily Telegraph Awards* started with 10 awards in four categories and gradually expanded to its present ten categories.[162] Despite their self-congratulatory nature, the Awards have always been presented with considerable panache. Not only are the awards themselves specially commissioned works of art or crafts to ensure the uniqueness of the occasion, but they are also presented by a member of the royal family at a dinner at a prestigious venue such as the Savoy, the Banqueting House or the Tate Gallery. To maximise publicity, the Awards have always been associated with a media sponsor, *The Daily Telegraph* for the fourteen years after their inception, and *The Times* since 1991.

Newspaper reporting of these events amply testifies to the glory and glamour that is associated with these public manifestations of *the marriage of art and commerce*, as the media are wont to describe them. For example, to celebrate the tenth anniversary of the

ABSA/Daily Telegraph Awards in 1987, a mammoth party was held at the Victoria & Albert Museum. Of this the *Financial Times*'s correspondent wrote: "Over eight hundred tongues will be slaked. Business tycoons will be there; artists will be there, some performing in *tableaux vivants* around the museum; the Prince and Princess of Wales will be there. The grand occasion will celebrate the coming of age of arts sponsorship in the UK."[163]

One may simply dismiss these awards as self-congratulatory and not worthy of serious consideration, but they work for the people for whom they are intended. For smaller companies and sponsorship novices, they function as a stamp of approval and crown their efforts. Edwin Shirley, for example, who put £15,000 into the Battersea Arts Centre's production of the Marquis de Sade's *120 Days of Sodom*, expressed his changed attitude towards sponsorship after he was rewarded with an ABSA award: "Two minutes into the first night I thought 'What have I done?', but I'm proud of it now."[164] For some businessmen in particular this is the only opportunity which they get to meet government ministers or members of the royal family.[165]

Ever since the Thatcher government actively drummed up arts sponsorship in the 1980s, the importance of the ABSA has risen considerably. As we have seen, not only has the government injected cash into the organisation, but its own Business Sponsorship Incentive Scheme has also been run by ABSA since 1984. This cooperation, for lack of a better term, between the Tory government and the ABSA helps promote the ever more mixed message of Conservatism. The old distinctions between public and private have been broken down and this leaves the position of the ABSA even more ambiguous. As J Mark Davidson Schuster, a professor of Urban Studies and Planning at the Massachusetts Institute of Technology, pointed out, it was clearly the government's policy that no new programme such as BSIS, that could be managed in the private sector, would be allowed to be administered in the public sector.[166] But the assumption that ABSA, being a charity, is a private institution, is open to question. For ABSA to run the BSIS on behalf of government, the government has to provide a sizable grant to the ABSA in addition to the award money. The BSIS therefore not only has inflated the importance of the association, but also given it the flavour of a *public institution*, which paradoxically ABSA is quick to deny.

What this cooperation between the government and the ABSA amounts to is that the former exercises state power to promote and further the interests of the business sponsors. One of the crusades that ABSA has been vigorously engaged in after its inception is media recognition for business sponsors (a theme which will be discussed in detail in the next chapter), since publicity is an explicit, if not the top, objective of the sponsors. Yet, for years most critics in the arts pages have considered any sort of credit, even naming sponsors' names, in their reviews as "free advertising" for companies, and thus resisted the pressure to collaborate and compromise their stance. To change the situation, Thatcher's arts ministers in their aggressive campaigns for business sponsorship had to deal with the issue head-on. St John-Stevas was, for example, reported to have said: "This is a matter I have taken up with the director-general of the BBC. I have drawn a number of particular cases to his attention."[167] The Minister was certainly in favour of full acknowledgement of sponsors in any broadcast of a sponsored event, despite the fact that the BBC charter unambiguously prohibits "advertising."[168]

So successful is the propaganda machine of the ABSA and BCA that they have become part of the "Establishment" in the 1990s. For instance, in an Arts Council publication entitled *The Arts Funding System Pack*, ABSA is listed alongside public institutions such as the Arts Council, the Crafts Council and the Museums and Galleries Commission as part of the UK arts funding system.[169] This accreditation surely elevates the ABSA, a blatant instrument for commercial public relations, to a position which not only disguises its ultimate purpose, but also directly helps businesses to advance their private interests. The story of corporate art intervention will be the subject of the next three chapters.

NOTES

1. Ronald Reagan, "Economic Recovery Will Take Time," inaugural address as President on 20 January 1981, in Alfred Balitzer, ed., *A Time For Choosing: The Speeches of Ronald Reagan 1961-1982* (Chicago: Regnery Gateway in cooperation with Americans for the Reagan Agenda, 1983), p. 240.

2. Sir Roy Shaw, in *Ministering to the Arts*, presented by Sir Roy Strong, BBC Radio 4, London, September 1992.

3. Quoted in Henri Temianka, "Creators in a Creative Society," *Saturday Review*, 23 September 1967, p. 30.

4. Reagan indicated: "As to what levels of funding I would recommend for the future, I cannot say. I would hope that we could see a steady annual increase;" see "The Candidates Respond," *American Arts*, 11(2), May 1980, p. 21.

5. The 145-page budget document was prepared by David A. Stockman, director of the Office of Management and Budget in the administration, and circulated in early February of 1981. The budget for the Humanities Endowment was to be reduced to $80 million from the $169 million proposed by the Carter administration.

6. For example, it was reported in Carla Hall, "Arts Reshuffle? Independent Agencies May Replace NEA, NEH" *The Washington Post*, 15 April 1981; Grace Glueck, "Independent Corporation Weighed as Arts Agency," *The New York Times*, 14 April 1981; William H. Honan, "Book Discloses Reagan Plan to Eliminate National Arts Endowment," *The New York Times*, 15 May 1988; Livingston Biddle, *Our Government and the Arts: A Perspective From the Inside* (New York: American Council for the Arts, 1988), p. 501.

7. Charles Heatherly, ed., *Mandate for Leadership* (Washington D.C.: The Heritage Foundation, 1980), p. 1055.

8. Quoted in Ward Sinclair and John M. Berry, "Reagan Budget Team Proposes Cuts Across Broad Spectrum," *The Washington Post*, 8 February 1981.

9. Fraser Barron, "A Mission Renewed: The Survival of the National Endowment for the Arts, 1981-1983," *Journal of Cultural Economics*, 11(1), June 1987, p. 37.

10. *Ibid.*, p. 55.

11. In a statement released by the White House on announcing the establishment of the Task Force, Reagan said: "While I believe firmly that the Federal Government must reduce its spending, I am nevertheless sympathetic to the very needs of our cultural organisations...;" quoted in "Reagan Names Task Force to Study New Form for Endowments," *The New York Times*, 7 May 1981, and Carla Hall, "NEA, NEH Review," *The Washington Post*, 7 May 1981.

12. David Perry, "Committee for Change," *Horizon*, July/August 1986, p. 35.

13. Interview with Malcolm Richardson, Deputy Director, President's Committee on the Arts and Humanities, Washington D.C., on 25 April 1995.

14. Presidential Task Force on the Arts and Humanities, *Report to the President* (Washington D.C.: U.S. Government Printing Office, 1981).

15. Ironically, before the election Reagan criticised the "politicisation" of the National Council of the Arts during the Carter administration, maintaining that its members were selected not on the basis of their artistic skills but their political connections; see "The Candidates Respond," *art. cit.*, as in note 4 above, p. 21. Some of the members appointed by Reagan on the President's Committee were not without political connections, such as the designer for Nancy Reagan, Bill Blass, one of the monied circle which had supported Reagan's political career.

16. Presidential Task Force on the Arts and Humanities, *Report to the President, op. cit.*

17. William Keens, "An Interview with Frank Hodsoll," *American Arts*, 13(1), January 1982, p. 8.

18. Lois Romano and Jennifer Hirshberg, "Ford's Gala Pols Meet Show-Biz," *The Washington Star*, 23 March 1981, and Joseph McLellan, "Stars and Austerity at Ford's Theatre Gala: A Night with the Sleek and Powerful," *The Washington Post*, 23 March 1981.

19. AMCON Group, Inc., *Seminar on Business Support of the Art*, 3 June 1981, New York, p. 52.

20. National Endowment for the Arts, *National Endowment for the Arts, 1965-1985: A Brief Chronology of Federal Involvement in the Arts* (Washington D.C.: National Endowment for the Arts, 1985), pp. 44, 52.

21. The declaration appeared in advertisements first in *Business Week* on 24 November 1980, and was repeated elsewhere.

22. Press Release from Office of the Press Secretary, the White House, on 8 July 1991; see also President's Committee on the Arts and the Humanities, "Summaries of Current Initiatives and Activities," revised on 19 June 1984, unpublished.

23. Louise Sweeney, "Thank you, Helen Hayes, Rudolf Serkin, Gordon Parks...: 12 Creative Artists and Patrons Receive National Medals of Arts," *The Christian Science Monitor*, 10 August 1988.

24. Internal Revenue Code, Section 170(b)(2).

25. Internal Revenue Code, Section 170(d)(2).

26. The percentage of corporate contributions as pre-tax net income varies with different sources of statistical data, but it had remained stable at just under 1% before 1980, with the earlier decades of 1940s and 1950s at well under 0.5%. See Conference Board,

Annual Survey of Corporate Contributions, 1987 edition (New York: Conference Board), p. 27, and 1988 edition, p. 35; quoted in Michael Useem, "Corporate Support for Culture and the Arts," in Margaret Jane Wyszomirski and Pat Clubb, eds., *The Cost of Culture: Patterns and Prospects of Private Arts Patronage* (New York: American Council for the Arts, 1989), pp. 45-62. Only in some cities have corporations instituted Five Percent or Two Percent Clubs, with the aim of giving donations up to the five percent level.

27. Michael Useem, "Corporate Philanthropy," in Walter W. Powell, ed., *The Nonprofit Sector* (New Haven and London: Yale University Press, 1987), p. 352.

28. Other determinants include company income, the impact of leadership, and metropolitan and national business cultures; see Useem, "Corporate Philanthropy," *ibid.*, and "Corporate Support for Culture and the Arts," *art. cit.*, pp. 45-62; and Michael Useem and Stephen I. Kutner, "Corporate Contributions to Culture and the Arts: The Organization of Giving and the Influence of the Chief Executive Officer and of Other Firms on Company Contributions in Massachusetts," in Paul J. DiMaggio, ed., *Nonprofit Enterprise in the Arts* (New York and London: Oxford University Press, 1986), pp. 92-112.

29. Useem, "Corporate Philanthropy," *art. cit*, pp. 351-52.

30. In a letter to Kenneth Robinson, quoted in Harold Baldry, *The Case for the Arts* (London: Secker & Warburg, 1981), p. 32.

31. Quoted in Richard Evan, "Arts Cash Still Low Priority,'" *The Financial Times*, 28 May 1980, and Tony Conyers, "State 'Cannot Be Part of Arts Revival,'" *The Daily Telegraph*, 28 May 1980.

32. Nicholas de Jongh, "Thatcher Pledge on Aid for the Arts," *The Guardian*, 28 May 1985.

33. They are Norman St John-Stevas (1979-81), Paul Channon (1981-83), Lord Gowrie (1983-85), Richard Luce (1985-89), David Mellor (1989) and Timothy Renton (1989-92).

34. Charles Spencer, "Arts Get Boost and a Budget," *The Evening Standard*, 16 June 1983.

35. Harold Baldry, *op. cit.*, p. 32.

36. Nicholas de Jongh, "Stevas Launches Drive for More Arts Sponsorship," *The Guardian*, 11 June 1980.

37. The figure was quoted by the Association for Business Sponsorship of the Arts, reached on the basis of scanty research and some guesswork. A study conducted by three postgraduates at the London Business School produced a different figure, namely that business gave no more than £2.5 million a year to the arts; see "Business Sponsorship of the Arts," *The Financial Times*, 17 June 1980.

38. Nicholas de Jongh, "Businessmen Get £25,000 to Back Arts," *The Guardian*, 30 April 1980. For more information on the association, see Chapter 3.3.

39. Kenneth Gosling, "Fund-Raisers for Arts Get £25,000 State Aid," *The Times*, 30 April 1980.

40. Roman Eisenstein, "Minister Urges £500m City-financed Arts Trust," *The Times*, 30 May 1980.

41. Keith Nurse, "Firms to be Urged to Sponsor Arts," *The Daily Telegraph*, 11 June 1980.

42. The Office of Arts and Libraries, *The Arts are Your Business*, 1981.

43. The other benefits listed are as follows: sponsorship brings the name of your company before the general public; sponsorship can bring your company's name before your own specific market; sponsorship can promote a specific product; sponsorship can improve your employees' and your customers' quality of life.

44. Paul Channon did not have a seat in the Cabinet. St John-Stevas was in the Cabinet not because he was the Minister for the Arts, but because he was the Leader of the House of Commons. Lord Gowrie also was in the Cabinet as chief government spokesman on economic affairs in the House of Lords. For Gowrie, see Nicholas de Jongh, "The High Cost of Gowrie's Going," *The Guardian*, 4 September 1985, p. 9.

45. Richard Luce was reported as saying: "The first 18 months were very tricky. People in the arts world thought I knew nothing about the job and they were right;" see "Richard Luce (Talking to Fiona Millar)," *House Magazine*, 14 April 1990.

46. In a speech on 8 July 1987 outlining the Government's arts policy for the next five years, quoted in *absa bulletin*, Autumn 1987, p. 2.

47. The incentive funding scheme is similar to the Business Sponsorship Incentive Scheme (BSIS) introduced in 1984 by the government, both based on the principle of matching grant. But the main difference is, to use J. Mark Davidson Schuster's terms, that the BSIS is a "reverse matching grant," which means that "these grant programs reverse the logic of the traditional matching grant; they allow the private donor to make resource allocation decisions that are *followed,* rather than *led*, by the public sector's match;" see "Government Leverage of Private Support: Matching Grants and the Problem with 'New' Money," in Wyszomirski and Clubb, eds., *The Cost of Culture, art. cit.*, p. 66. For more detail on the BSIS, see later in the chapter.

48. Arts Council of Great Britain, *Better Business for the Arts: An Introduction to the Arts Council Incentive Funding Scheme for Arts Organisations*, 1988.

49. J. Mark Davidson Schuster, "The Interrelationships Between Public and Private Funding of the Arts in the United States," *The Journal of Arts Management and Law*, 14(4), Winter 1985, p. 95.

50. Peter Chippindale and Chris Horrie, "Gentlemen's Club plc," *New Statesman*, 16 December 1988, pp. 23-24.

51. See the *Business Sponsorship Incentive Scheme Application Form valid from 1 April 1993 to 31 March 1994*, p. 3.

52. Timothy Renton MP, in *Ministering to the Arts*, *op. cit.*, as in note 2 above.

53. Bill Baker, "British Aim to Put the Dynamo Back into Kiev," *The Guardian*, 4 June 1990, and Martin Kettle, "On the Road with Mars and Marlboro," *The Guardian*, 21 June 1990.

54. Peter Palumbo, "The Arts Council: Problems and Policies after Twelve Months in Office," *RSA Journal*, September 1990, p. 682.

55. It is impossible to discuss the whole range of tax policy in relation to the arts within the scope of this thesis. In addition to the charitable contribution/deed of covenant and gift aid, it may also include capital transfer tax and capital gains tax, gift in kind, secondment of staff, etc.

56. The example was given by J. M. D. Schuster in "Tax Incentives as Arts Policy in Western Europe," in P. DiMaggio, ed., *Nonprofit Enterprise in the Arts, op. cit.*, p. 326.

57. Alvin Tofler, *The Culture Consumer* (New York: St. Martin's Press, 1964), p. 187.

58. There is no unanimity among scholars as to the concept of tax expenditure initiated in America. A version of its definition is provided by Willis and Hardwick: "A tax expenditure is an exemption or relief which is not part of the essential structure of the tax in question but has been introduced into the tax code for some extraneous reasons — e.g. in order to ease the burden for a particular class of taxpayers, or to provide an incentive to apply income in a particular way,... these reliefs are equivalent in terms of revenue foregone to direct government expenditure... ;" see J. R. M. Willis & P.J.W. Hardwick, *Tax Expenditures in the United Kingdom* (London: Institute for Fiscal Studies, 1978), p. 1. This school of thought thus argues that tax incentives are equivalent to public policy.

59. Alan L. Feld, Michael O'Hare and J. Mark Davidson Schuster, *Patrons Despite Themselves* (New York and London: New York University Press, 1983); see also J. M. D. Schuster, "The Interrelationship between Public and Private Funding of the Arts in the United States," *art. cit.*, pp. 77-105; and "Tax Incentives as Arts Policy in Western Europe," in P. DiMaggio, ed., *Nonprofit Enterprise in the Arts*, *op. cit.*, pp. 320-60.

60. To illustrate how the American tax law works is really beyond the scope of this thesis but some basic points can be made here. Basically the net cost of a taxpayer's donation varies with their tax bracket. Examples were given by Michael O'Hare: "The taxpayer with a 50% marginal tax rate, for example, who writes a hundred dollar check to his local museum, is spending only fifty dollars of his own money, and inducing the government to spend fifty dollars of taxpayer's money to support the museum. But the taxpayer in a 14% bracket will have to spend $86.00 of his own money, because the

government will only contribute $14.00, to make up a total gift of a hundred dollars. If we compare instead taxpayers each willing to contribute a hundred dollars of their own funds, we will find that a taxpayer in the highest bracket can, with a hundred dollars of his own money, call forth $233 of government assistance. (He does this, of course, by writing a check for $333.) The taxpayer in the lowest bracket will find that his $100 contribution calls forth only $16 matching money from the government." See Michael O'Hare, "U. S. Practice & Policy" in Hamish R. Sandison and Jennifer Williams, eds., *Tax Policy and Private Support for the Arts in the United States, Canada and Great Britain* (Washington D.C.: British American Arts Association, 1981), p. 50.

61. Sir William Pile, "Chairman's Summing Up," in Hamish R. Sandison and Jennifer Williams, eds., *Tax Policy and Private Support for the Arts*, *op. cit.*, p. 44.

62. The "friendliness" of American tax incentives is a popular myth among most arts advocates in Western countries. They claim that the low level of private support in certain countries is due to a less generous tax policy, and have always urged the government to "liberalise" the tax regime in relation to the arts without ever mentioning the implied social cost and tax expenditure. However, J. M. D. Schuster suggested that "the real difference in levels of private support seems to lie more in historic patterns of patronage and modern importance of the public sector in support of artistic activities than its does in difference between tax laws; see *Supporting the Arts: An International Comparative Study* (Washington D.C.: United States Government Printing Office, 1985), p. 52.

63. Conservative Political Centre, *Government and the Arts*, 1962, p. 28.

64. Deeds of covenant were not first introduced as a benefit for charities, although they ultimately proved to be so; see Michael Fogarty and Ian Christie, *Companies and Communities: Promoting Business Involvement in the Community* (London: Policy Studies Institute, 1990), p. 63. According to the Inland Revenue, a deed of covenant is "a legal document. It is a written agreement under which one person promises to make a series of payments to another person for nothing in return. It is binding on the person who makes the promise;" see *Deeds of Covenant: Getting it Right for Tax* (London: Inland Revenue, 1987).

65. See Lord Goodman, Report of the Goodman Committee, Charity Law and Voluntary Organisation, 1976, quoted in Hamish R. Sandison and Jennifer Williams, eds., *Tax Policy and Private Support for the Arts*, *op. cit.*, p.45

66. The point was made by J. Mark Davidson Schuster; see "The Non-Fungibility of Arts Funding," in Harry Hillman-Chartrand, ed., *The Arts: Corporations and Foundations* (Ottawa: The Canada Council, 1985), p. 7, and see also Schuster, "Tax Incentives as Arts Policy in Western Europe," in P. DiMaggio, ed., *Nonprofit Enterprise in the Arts*, *op. cit.*, p. 327.

67. The example was given by J. M. D. Schuster in "Tax Incentives as Arts Policy in Western Europe," *ibid.*, p. 326.

68. This change was designed to stimulate charitable giving, but as Michael Norton pointed out: "a four-year covenant would not by itself result in higher donations;" see *Covenants: A Practical Guide to the Tax Advantages of Giving*, 2nd edition (London: Directory of Social Change, 1985), pp. 28-29.

69. A close company for tax purpose is a company "whose ownership is controlled by a limited group of shareholders (five or fewer 'participators'), although where 35 per cent or more of the shareholder voting power of the company is in the hands of the public and the shares are quoted on a stock exchange, the company will not be deemed a Close Company;" see Michael Norton, *Tax Effective Giving*, 6th edition (London: Directory of Social Change, 1992), pp. 105-6. For the precise definition of close company status, see *Section 414-15* of the *1988 Taxes Act*.

70. It is of interest to note that *1983 Finance Act* also allows companies to deduct the salary costs of any employee seconded to a charity on a temporary basis.

71. The donation given in this way is made out of gross income before PAYE tax is calculated, so the donor will pay tax only on the amount left after the gift has been deducted. Accordingly, unlike the covenant, it is the donor, not the charity, that benefits from the tax relief. The employee was allowed to give £120 in any one tax year initially, and this was raised progressively by 1989 £480, by 1990 £600 and from 6th April 1993 on £900. For basic information, see *Giving to Charity: How Individual Can Get Tax Relief* (Inland Revenue Leaflet Series IR65, January 1990, December 1991, and November 1993).

72. There is no minimum nor maximum limit for a Gift Aid payment to charity by open (non-close) companies. These two kinds of companies operate under slightly different rules; see *Gift Aid: A Guide for Donors And Charities* (London: Inland Revenue, 1990) and *Giving to Charity: How Business can Get Tax Relief*, Notes Series IR64 (London: Inland Revenue, 1986).

73. Among 16 other European countries, Britain is the only one that does not have a maximum deduction for business donations to the arts; other European countries have either a fixed amount or a percentage of the taxable income; see *Business Support for the arts in Europe* (London: Arthur Andersen, 1991), and also Milton C. Cummings, Richard S Katz, eds., *The Patron State: Government and the Arts in Europe, North America, and Japan* (New York: Oxford University Press, 1987).

74. A first-time sponsor whose sponsorship is matched on a 1:1 ratio; a second-time sponsor on 1:2; an established sponsor on 1:4; see the *Business Sponsorship Incentive Scheme Application Form valid from 1 April 1994 to 31 March 1995*, p. 2.

75. It is part of the criteria for assessing applications that "the matching money received by the arts organisation must be used in part to enhance the sponsorship, thus ensuing increased benefits to both the arts and business," *ibid.*, p. 3.

76. *Ibid.*, p. 2.

77. For instance, Kenneth Robinson, Chairman of the Arts Council from 1977 to 1983, once referred to the possibility of commercial sponsorship: "... as part of an enforced national austerity, government can promise no more than maintenance of existing levels for some years to come. Some voices have hinted that the arts must in future look elsewhere, for example, to industry and commerce, for any real increase in support;" see Kenneth Robinson, "Support for the Arts — The Next Five Years," the Alport Lecture 1977 (London: Centre for Arts and Related Studies, City University, 1977), p. 5.

78. Arts Council of Great Britain, *Partnership: Making Arts Money Work Harder* (London: ACGB, 1986), p. 16.

79. Arts Council of Great Britain, *Rewarding Enterprise* (London: ACGB, 1987).

80. The Council consisted of the Chairman and 19 other members. They were appointed by the Minister for the Arts after consultation with the Secretaries of State for Scotland and Wales; see Arts Council of Great Britain, *How the Arts Council Works*. From 1 April 1994, the functions and responsibilities of the ACGB were transferred to three successor bodies: Arts Council of England, the Scottish Arts Council and the Arts Council of Wales. There are 16 members of the governing body of the Arts Council of England, appointed by the Secretary of State for National Heritage.

81. Peter Palumbo has also been Chairman of the appeal committee for the restoration of Painshill Park, a member of the Visiting Committee of the Metropolitan Museum of Art, New York, and a Trustee of the Mies van der Rohe Archive at the Museum of Modern Art, New York. He has been a Trustee of the Tate Gallery, Chairman of the Tate Gallery Foundation and a Trustee of the Whitechapel Art Gallery Foundation; see Arts Council of Great Britain, *How the Arts Council Works*, 1989, p. 8. He is known to be a keen financial supporter of the Conservative Party. In a conflict with his children he was accused of spending £263,000 from family funds on Conservative party donations; see Sandra Laville, "Palumbo Fails to Block his Children's Bid to Oust him," *The Evening Standard*, 5 August 1994.

82. Raymond Williams, "The Arts Council," *Political Quarterly*, Spring 1979, p. 160.

83. According to Sir Roy Shaw, only one of the senior staff who was in charge of the negotiations knew about the event, and s/he was forbidden to disclose the information; see Roy Shaw, *The Arts and The People* (London: Jonathan Cape, 1987), p. 50; Paul Williams, "Stop on Plan to Close Hayward," *The Sunday Telegraph*, 31 July 1983, and "Rees-Mogg Invited to Explain," *The Sunday Telegraph*, 30 October 1983. Apparently *The Daily Telegraph* was the only newspaper to ferret out the secret row.

84. Interview with Isobel Johnstone, Curator of the Arts Council collection, on 15 September 1995; see also Brian Sewell, "Council of Despair," *The Evening Standard*, 29 March 1990. The portrait has been in store ever since Rees-Mogg left the Arts Council.

85. In a much later interview, Luke Rittner recalled the day when he arrived at the Arts Council: "Well, walking in on the first morning was the most extraordinary feeling because there I was arriving at an institution pretty aware [that] all of whose staff had signed a document saying they didn't want to work with me;" in "Ministering to the

Arts," presented by Sir Roy Strong, as in note 2 above.

86. Simon Tait, "Rittner Quits Arts Council in Funding Clash," and "Surprise Choice Became Able Administrator," *The Times*, 29 March 1990, pp. 1, 2. Rittner was the youngest secretary-general at the Arts Council since its establishment in 1945.

87. Arts Council of Great Britain, *The Glory of the Garden: The Development of the Arts in England: A Strategy for a Decade*, 1984.

88. Jonathan Arnold, "Arts Council Means Business," *Marketing the Arts (Southern Arts)*, July/August 1987, p. 12.

89. *Arts Council 43rd Annual Report and Accounts 1987/88*, p. 24.

90. Such as a special cover story "Sponsorship in the Nineties," in *The Insider*, Summer 1990, pp. 4-7, and Robert Horton (Deputy Chairman of British Petroleum), "Beyond Sponsorship," *The Insider*, Winter 1990, pp. 9-11. *The Insider* was the Arts Council's quarterly magazine for arts managers.

91. The article was entitled "Business and the Arts," and subtitled "Is Sponsorship Becoming a Substitute for Government Funding?"; see *Arts Council 44th Annual Report and Accounts*, pp. 36-37. The Royal Insurance has been a household name in the arts and sponsor worlds since it gave the Royal Shakespeare Company a record breaking sum of £1.1 million for the years 1988 to 1990.

92. This is paraphrasing what the controller of the Marketing Department wrote in the *43rd Annual Report*: "Meanwhile we began by practising what we preached — enterprise, partnership and efficiency," before he went on to list his success in raising sponsorship.

93. Peter Palumbo, "Chairman's Introduction," *Arts Council 44th Annual Report and Accounts 88-89*, p. 3.

94. The words of Dylan Hammond, Director of Marketing & Resources, in Departmental Report, *Arts Council 45th Annual Report and Accounts*, p. 29.

95. *Arts Council/British Gas Awards — Working in Cities*, now known as *British Gas Properties/Arts Council Awards: Working for Cities*, are awards for city-based regeneration projects involving the arts. They include six categories: Art in Public Spaces; Centres for Arts; Working for Cities; Arts in Progress; Community Arts and Festivals of Arts. The awards are sponsored by British Gas Properties, a distinct business unit within British Gas which was formed in 1994 (thus the change of the award name). The company currently holds some 3,800 properties with a book value of around £1,2 billion; see *British Gas Properties/Arts Council Awards 1995: Working for Cities Entry Form.*

96. The cardholder can choose an arts organisation he or she favours from a list of 86 groups to benefit from the contribution, otherwise the cash goes into a pool which will then be divided between the groups participating in the scheme. According to the Bank, it has contributed more than £450,000 to the arts since the inception of the scheme; see

Midland Bank, *Help the Arts: Use an Artscard.* American Express has run a series of similar promotional campaigns in the United States for years.

97. Telephone conversation with Denise Farrow, Midland Bank on 21 February 1995. She preferred answering the inquiry over the telephone rather than responding to written questions.

98. Telephone conversation with Toby Scott, Business Assessment and Planning, Arts Council of England on 31 January 1995, and further interview with him on 14 February 1995.

99. *Prudential Awards for the Arts 1992*, a booklet published by the Prudential Corporation commemorating the award, p. 18.

100. The Department used to be known as the "Art Department" until Sandy Nairne became the director in 1987.

101. The Arts Council had run the Hayward Gallery since its opening in 1968, and the Serpentine Gallery since 1970.

102. "Independent" galleries or museums is part of a peculiarly British arts bureaucrats' terminology. It certainly does not mean financially "independent" from the Arts Council or any other public funding agencies.

103. The Arts Council poetry library was transferred to the South Bank Centre and its bookshop was closed in 1986, leaving the Arts Council as a grant making agency.

104. The Serpentine Gallery has, however, remained one of the revenue clients of the Arts Council, and the South Bank Centre, of which the Hayward Gallery is part, has received grants from the Arts Council. According to Rebecca King Lassman, Development Coordinator at the Serpentine Gallery, the grant from the Arts Council only contributes about 40 per cent of the overheads of the Gallery now, and corporate sponsorship makes up the bulk of the rest of the expenditure of the Gallery; telephone conversation with her on 2 February 1995.

105. Antony Thorncroft, "South Bank Savings," *The Financial Times*, 15 November 1986.

106. For example, when it offered investors to buy parts of its £400 million portfolio in 1991, English Estates was described as "England's biggest industrial landlord in its attempt to marry its traditional public agency rôle with a more commercially-orientated operating style;" see Chris Tighe, "English Estates Puts its Faith in the Market," *The Financial Times*, 12 July 1991, p. 12.

107. The leaflet is entitled, *Arts Council Collection: The Collection Visits You*, published by the South Bank Centre, n.d.

108. The budget for buying works for the collection comes directly from the Arts Council, because the collection is the Arts Council's property. But the fund for the

management of the collection comes from the South Bank, which also receives a big grant from the Arts Council in addition to other financial resources; interview with Isobel Johnstone, Curator for the Arts Council Collection, on 22 February 1995.

109. *Ibid.*

110. Peter Palumbo, "Preface," *Arts Council Collection Acquisition 1984-88* (London: Arts Council of Great Britain/South Bank Centre, n.d.), p. 9.

111. Tim Hilton, "The Style Council," *The Guardian,* 7 March 1990, and "Hung, Drawn but not yet Slaughtered," *The Guardian*, 27 August 1992.

112. *National Endowment on the Arts and Humanities Act of 1965*, Public Law 209-89th Congress.

113. Nancy Hanks was the Chairwoman of the Endowment from 1969 to 1977. She had worked for Nelson Rockefeller in various capacities from 1951 to 1959 and then went on to work for the Rockefeller Brothers Fund before her appointment as the Endowment Chairwoman. According to *The New York Times*, Hanks was quoted as saying that her proudest accomplishment at the Endowment was "encouraging private leadership, private initiative and private money;" see "Nancy Hanks Honoured for Arts Role," *The New York Times*, 11 November 1977. For background material on Hanks, see "The Politics of Art: Nancy Hanks and the National Endowment for the Arts," in Jameson W. Doig and Erwin C. Hargrove, eds., *Leadership and Innovation: A Biographical Perspective on Entrepreneurs in Government* (Baltimore and London: The John Hopkins University Press, 1987), pp. 207-45; Fannie Taylor and Anthony L. Barresi, *The Arts at a New Frontier: The National Endowment for the Arts* (New York: Plenum Press, 1984).

114. The chairman of the NEA is appointed by the President for a four-year term upon Senate confirmation. But unlike the chairman of the Arts Council, the NEA chairman is the chief administration officer within the Endowment.

115. His predecessors include Roger Stevens (chairman of the NEA between 1965 and 1969) and Livingston Biddle (1977-1981), in addition to Nancy Hanks. Roger Stevens is a successful real estate broker, a Broadway producer and chairman of the Kennedy Center, while Livingston Biddle was a newspaper reporter and novelist before he became special assistant to Senator Claiborne Pell of Rhode Island, with a primary responsibility for arts and humanities legislation between 1962 and 1965.

116. Francis S. H. Hodsoll's résumé, from the White House, 22 September 1981, unpublished.

117. *Hearing before the Committee on Labor and Human Resources United States Senate*, 97th Congress, 1st session, 6 November 1981, (Washington D.C.: U.S. Government Printing Office, 1981), p. 26.

118. William Keens, "An Interview with Frank Hodsoll," *art. cit.*, as in note 17 above.

119. John K. Urice, "Planning at the National Endowment for the Arts: A Review of the Plans and Planning Documents, 1978-1984," *The Journal of Arts Management and Law*, 15(2), Summer 1985, p. 86.

120. Robert Pear, "Reagan's Arts Chairman Brings Subtle Changes to the Endowment," *The New York Times*, 10 April 1983.

121. Quoted in Richard Swaim, "The National Endowment for the Arts: 1965-1980," in Kevin V Mulcahy and Richard Swaim, eds., *Public Policy and the Arts* (Boulder, Co.: Westview Press, 1982), p. 180.

122. Robert Pear, "Reagan's Arts Chairman," *art. cit.*

123. Catherine Lord, "President's Man: the Arts Endowment under Frank Hodsoll," *Afterimage*, 10, February 1983, p. 3.

124. According to Michael Faubion, for instance, the Washington Project for the Arts applied to the Inter Arts for a billboard-like project in the early '80 where an artist would create works on the side of a large truck which then would travel around the city. One of the proposed sites was across from the White House, and this particular artist's work was known to be political; interview with Michael Faubion, Deputy Director, Visual Arts Programs, National Endowment for the Arts, Washington D.C., on 26 April 1995.

125. *Ibid.*

126. Cynthia Grassby, "Forword," in Diane J. Gingold, ed., *Business and the Arts: How They Meet the Challenge* (Washington D.C.: National Endowment for the Arts, 1984), p. vii.

127. Interview with Michael Faubion (see note 124 above). A spokesperson also mentioned that Hodsoll apparently disliked her and eventually got the White House to remove her. I also spoke to other staff at the Endowment, such as deputy chairwoman Scott Sanders (on 25 April 1995) and Librarian Jeanne E. McConnell, but no memory of the office's accomplishments seemed to survive.

128. D. Trend, "The Power and the Glory: NAMAC's Strategies for the Media Arts in Transition," *Afterimage*, October 1983, p. 5.

129. Gerald Marzorati, "The Arts Endowment in Transition," *Arts in America*, March 1983, p. 9.

130. *Ibid.*, p. 13.

131. *Ibid.*, p. 13.

132. The members of former policy panels were appointed for three-year terms; see Martha Gever, "New Criteria for NEA's Visual Arts Program," *Afterimage*, 11, December 1983, p. 3.

133. Associates for Arts Research and Technical Services in Washington D.C. were commissioned by the Visual Arts program in association with the National Association of Artists' Organisation to research into the subject; see *Visual Artists' Organisations Fiscal Year 1982-83*, 1985, unpublished report.

134. Hilton Kramer, "The Prospect before us," *The New Criterion*, 9, September 1990, p. 7.

135. In an interview, Benny Andrews expressed the view that the controversy was the only case in which he was unable to avoid factionalism during his tenure as visual arts program director; see Elsie B. Washington, "Taking Away the Mystique of the NEA," *Artnews*, 85, February 1986, p. 156.

136. Martha Gever, "Blowing in the Wind: the Fate of NEA Critics' Fellowships," *Afterimage*, Summer 1984, p. 3.

137. John Beardsley, *The Art Critics Fellowship Program: Analysis and Recommendations*, August 1983, National Endowment for the Arts, Washington D.C., unpublished report, p.12.

138. Hilton Kramer, "Criticism Endowed: Reflections on a Debacle," *New Criterion*, November 1983, pp. 1-5.

139. "Artists: An Endangered Species: Eight Pages on How Reagan's Budget Cuts Will Cripple the Arts," *The Village Voice*, 13-19 May 1981.

140. The purpose of AVA, as stated by its director, Ted Potter, is "to seek and identify individuals of significant artistic achievement; and it is designed to support and bring into national focus artists living and working throughout the country;" see Potter, "Preface," *Awards in the Visual Arts 3*, exhibition catalogue (Winston-Salem, NC: Southeastern Center for Contemporary Art, 1984).

141. Personal Correspondence from Virginia Rutter, Public Relations and Marketing Coordinator, Southeastern Center for Contemporary Art in Winston-Salem, NC, on 16 June 1995.

142. Miranda McClintic, former curator at the Hirshhorn Museum of the Smithsonian Institution, was commissioned by the NEA to conduct a report on AVA; see *Awards in the Visual Arts Program*, 1985, unpublished report, p. 11. She stated that "the company stays out of professional decisions."

143. *Ibid.*, p. 12.

144. According to Virginia Rutter, who was associated with the program for eight years, "These receptions were a tremendous cost that the museums didn't have to absorb and they were extremely appreciate of that savings" (see note 141 above).

145. Miranda McClintic, *op. cit.*, p. 11. The advisory role of SECCA was taken over by the Whitney Museum of American Art in New York; see Chapter 5.1. I spoke to Pari

Stave, curator of the Equitable collection and the Equitable Gallery, and Francine Lynch, Director of Equitable Foundation in May 1995, but no data were available from company sources.

146. "Photograph's Title Stirs Boycott Campaign," *New Art Examiner*, 16, June 1989, p. 11; Carole S Vance, "Issues and Commentary: the War on Culture", *Art in America*, 77, September 1989; William H. Honan, "Congressional Anger Threatens Arts," *The New York Times*, 20 June 1989 and Barbara Gamarekian, "Senate Asks Ban on Grants to 2 Arts Groups," *The New York Times*, 26 July 1989.

147. Whether or not Equitable withdrew it sponsorship before or after the Serrano controversy is nowhere clear. According to Virginia Rutter, "the Equitable had already decided to end its commitment to the AVA program before the Serrano controversy... However, the Serrano controversy caused them to change their mind about a departure grant to SECCA and decided not to do so;" personal correspondence from Virginia Rutter, on 8 September 1995. What is known is that the chairman of the Equitable Life Assurance Society, Richard H. Jenrette, reportedly wrote to apologise to Wildmon within days of Wildmon's campaign against Serrano's work; see William H. Honan, *art. cit.* Largely because of the media campaign launched by Wildmon and his like-minded conservatives, hundreds of Equitable policy holders apparently wrote to the company threatening to withdraw their policies if Equitable continued to fund art works like Serrano's.

148. William H. Honan, *art. cit.*

149. Personal correspondence from Virginia Rutter, on 8 September 1995.

150. For example, the AVA 10 toured to the Hirshhorn Museum and Sculpture Garden in Washington D.C., Albuquerque Museum of Art History and Science in Albuquerque, New Mexico, and the Toledo Museum of Art in Toledo, Ohio; see the exhibition catalogue, *Awards in the Visual Arts 10* (Winston-Salem, NC: Southeastern Center for Contemporary Art, 1991). For more details on the "BMW Gallery," see Chapter 5.2.

151. "We are a private organisation," said Nicholas Wood, Head of BSIS/Program Director, ABSA, London. He also pointed out that, although they held files on business sponsorship, these were only for private purposes and he could not grant "the public" access to them; telephone conversation with Nicholas Wood on 13 February 1993. Nor is the BCA any more helpful. They refused to give me a face-to-face interview and asked me not to put any more pressure on them when a friend of mine with a professorship called them on my behalf in 1990. I tried to contact them again in 1995 but without success.

152. In a speech entitled "Culture and the Corporation," given at the 50th anniversary conference of the National Industrial Conference Board, New York, republished by the Business Committee for the Arts, *Culture and the Corporation* (New York: BCA, 1985), p. 9.

153. It is interesting to note that before the creation of the BCA, the Arts and Business Council, established in 1965 already existed to promote *partnership* between arts and business. Its membership is open to both arts and business organisations, with a majority of members from the arts side; telephone interview with Martin Cowinsky, Associate Director, Arts and Business Council, New York, 8 August 1990.

154. Telephone conversation with Kim Maier, Director of National Programs, BCA, New York, 1 August 1990.

155. The BCA operates a network of 12 affiliates for smaller businesses in the local area, such as the Montgomery Business Committee for the Arts. But the national BCA is exclusively for blue-chip chief executives.

156. Quoted in Alvin Reiss, "BCA: The First Act," *Cultural Affairs*, 5, March/April, 1967.

157. Quoted in Joseph James Akston, "Editorial," *Arts Magazine*, 42(7), 1968, p. 5.

158. William E. Phillips, *Involving the Arts in Advertising: A Business Strategy* (New York: BCA, 1986), p. 4. The other two leaflets published in the series are *Involving the Arts in Public Relations*, by David Finn, Chairman and Chief Executive Officer, Ruder Finn & Rotman, and *Involving the Arts in Marketing*, by Jerry C. Welsh, Executive Vice President, American Express.

159. According to Alison Roberts; see "The Maturity of Modern Maecenas," *The Times*, 11 December 1992, special issue "Business and the Arts," p. 1.

160. Deanna Petherbridge, "Patronage and Sponsorship: the PS at the Bottom of the Art Balance Sheet," *Art Monthly*, 38, 1980, p. 10. It was also reported that Imperial Tobacco resorted to placing colour advertisements in the national press to promote the *Pompeii AD 79* exhibition which it sponsored at the Royal Academy in 1976 because of their frustration with newspaper correspondents unwilling to credit them as sponsors.

161. Antony Thorncroft, "An Honest Broker," *Classical Music*, 22 September 1979.

162. Special Issue "Business & the Arts," *The Times*, 21 November 1994.

163. Antony Thorncroft, "Sponsorship: Coming of Age," *The Financial Times*, 7 September 1987.

164. Quoted in Simon Tait, "Sponsor's Broadest Spectrum," *The Times*, 11 December 1992, special issue "Business and the Arts."

165. Michael Fogarty and Ian Christie, *Companies & Communities, op. cit.*, as in note 64 above, p. 62.

166. J Mark Davidson Schuster, "Government Leverage of Private Support," *art. cit.*, as in note 47 above, p. 80.

167. Martin Huckerby, "Royal Award Call for Arts Sponsorship," *The Times*, 11 June 1980.

168. Lynette Royle, "Credit the Connection: Media Recognition of Sponsors," *absa bulletin*, Autumn 1993, p. 13.

169. Arts Council of Great Britain, *The Arts Funding System: An Introduction to the Components of the UK Arts Funding System*, n.d.

4

THE CORPORATIONS AND ART MUSEUMS

The engagement between corporations and art museums was by no means a new phenomenon of the 1980s. It had been going on for some decades in America, although it was, by comparison, less frequent in Britain before the Conservatives came to power in 1979, when the government at both local and national levels was still directly funding art galleries. Thus, it was still possible in 1980 to speak of visual arts sponsorship in Britain as a "new game," with its territory yet to be "firmly demarcated."[1] In seeking to emulate the American-style enterprise culture, the Conservative government virtually closed that gap. Across the Atlantic, Lexus sedans regularly turned up outside museums and concert halls, such as the Los Angeles County Museum of Art, the Museum of Contemporary Art, and the Lincoln Center in New York, while in Britain both the Royal Academy and Royal Festival Hall converted their courtyards into car showrooms for corporate sponsors.[2] What distinguishes the relationship between the institutions of art and commerce in the period under discussion from previous decades, therefore, lies not only in the level of intensified practice, but also in the radical transformation of art institutions, particularly in the case of British art galleries.

To locate this change within the new alignment of Conservative forces in British and American politics is not to discount the fact that there were other social factors at play on the cultural scene. The extent to which these factors themselves may have resulted, directly or indirectly, from the policy of unfettered market forces under the conservative regime is, however, a complex question that can not be fully investigated here. Nevertheless, the free enterprise culture of the 1980s championed an ethos of ruthless and self-interested individualism, coupled with an unabashed cult of visible wealth. According to Lord Young, the longtime ally of Margaret Thatcher, "Without creating the wealth first, we cannot invest in the kind of society that we all wish to see."[3] By substantially lowering income tax, *inter alia*, and deregulating the market, the supply-side economy initiated under Reagan and Thatcher drastically shifted the balance of wealth in society, making the poor poorer and the rich richer, and, above all, creating a league of new rich.[4]

The new rich, according to the 1988 *Forbes*'s listing of the 400 richest individuals in America, are fundamentally different from the "robber barons" of the late nineteenth century in two crucial respects. First, unlike the nineteenth-century industrialists, they are detached from productive industry, and have made their fortunes in various white-collar service sectors such as finance, real estate and the media.[5] The media tycoons in particular are singled out by Anthony Sampson as beginning to take the place of the railway barons of the previous century.[6] Second, the new economic elites celebrate their wealth in a blatant and ostentatious way, with less guilt and much more publicity. This is because an extravagant display of riches, along with the exercise of the purchasing power on which conspicuous consumption has always depended, lies at the heart of the thrill of ownership, rather than the accumulation of money for its own sake. "Money is the hallmark not of wealth alone," wrote de Tocqueville more than a century and half ago, "but of power, reputation and glory."[7]

The changed face of the US plutocracy of the 1980s is of relevance to this study in two crucial ways. First, as noted in Chapter 1, one cannot talk about corporate involvement in contemporary culture without, at the same time, referring to the corporate élite. Their class identity and their institutional position within a corporation in late capitalism are inevitably interrelated. It is by virtue of these economic élites, the *Forbes* 400 included, occupying a central and commanding position both within corporations and the business community that they are able to play a major role in launching corporate arts programmes. The massive input of wealth into the service-sector and the high percentage of service sector companies participating in the arts is therefore not an accidental phenomenon. It is more than a logical development of late capitalism, or what one may loosely refer to as post-industrialism.

Second, the unrestrained flaunting of opulence finds no more suitable outlet than in art museums. As most American art museums were built as monuments to private wealth, they are the ultimate site for a public display of powerful affluence, and all the glamour and glitter that come with it. On an individual level the museum has become a 'prime party palace' for the very rich. The Temple of Dendur in the marble precincts of the Metropolitan Museum, for example, was the lavish backdrop for the 3 million dollar dynasty wedding reception of Laura Steinberg (daughter of Saul Steinberg, chief executive officer, thereafter CEO, of Reliance Group Holdings) and Jonathan Tisch (nephew of Laurence Tisch, CEO of CBS Inc.) in 1988. "In New York today," commented John Taylor, "the sole remaining venue for conspicuous consumption on a Pharaonic scale is the Metropolitan Museum."[8] These extravagant parties, if reduced to a moderate level, correspond to what are euphemistically called "corporate hospitality" events, where in the same ambience businesses entertain their clients and associates, invariably in an atmosphere not dissimilar from that enjoyed by the invitees to private parties. The new culture of this sort of spectacle can be equally applied to the relationship between British business and art galleries, although less frequently in the case of individual wealthy families in Britain.

Yet, the popular manifestation of visible wealth within the walls of art museums could not possibly take place if the form of commodity structure had not changed in late capitalism within whose context the museum operates. That is to say, technological advance in the twentieth century, particularly during the second half, has transformed the representation of the visual arts and artists in the public consciousness, and the mass media in particular have commodified the cultural icons. By "commodified the cultural icons" I do not mean that art works themselves are not commodities, which they have always been in capitalist society. What I am alluding to is a commodifying process which makes art selling dependent not only on the works produced, but also on the ultimate promotability and marketability of the personality and lifestyle of the artists concerned. The process, of course, was not unique to the 1980s; it was indeed well underway in the previous decades. The huge industry that grew up around the myth of Van Gogh as a struggling and mad artist-genius is only one, if the most obvious, example.

The case for contemporary art is fundamentally different from the mythologies surrounding the canonic masters of modernism: the artist concerned is not dead, but living. This statement would be banal except that this very simple fact permits and opens up a whole catalogue of possibilities for image manipulation and utilisation of the publicity machine, both by the media and, whether tacitly or not, by artists themselves. The changed definition of art, from something measured by trained skills to something designated as art by artists' signatures in the art world's own discourse, had, in part, helped this development. Yet ultimately, it is the mass media, to which ordinary consumers have access, and presumably for whose imagined insatiable curiosity the stories of living artist-legends are entertained, that have given birth to the era of the artist-as-celebrity in the 1980s.

The emergence of this idea was discernible as early as October 1977. Accompanying his retrospective at the Whitney Museum in New York, Jasper Johns was featured in the cover story of *Newsweek*.[9] His photograph on the cover was so large and central as to obscure the title of the magazine. The spirit of his legend was encapsulated in the large captions: "Super Artist." This kind of treatment can only find a parallel in the way in which pop stars and other popular celebrities are glorified in our consumer society. Jasper John's pose is symptomatic of the spread of unrelenting media "hype" to artists and their lifestyles in the years that were to follow.

Indeed, the scenario of the marketable artist and his or her status as a society-page figure reached its apotheosis in the middle '80s. *The New York Times* magazine, for example, treated its fashionable readers to a fabulous account of the success of Jean Michel Basquiat on 10 February 1985; its cover read: "New Art, New Money: The Marketing of An American Artist."[10] Reporting the launching of the Palladium nightclub in New York a few months later, it announced triumphantly: "The newest stars of the evening were the artists and their entourages."[11] The club incorporated large-scale murals, installations and set designs by some of the city's "hottest" young artists, and, not insignificantly,. was overseen by the "club curator," Henry Geldzahler, former curator at the Metropolitan Museum and the City's cultural commissioner. It was the marketability of the artists, rather than their art, that made it the essential element of the new venture. To quote Steve Rubell, one of the two owners of the club: "Artists are the focal points of the '80s. They're the celebrities now in the same way fashion designers were in the '70s and rock stars in the '60s."[12]

To complete the portfolio of art-world *glitterati*, the mass media entertained their readers with the requisite personal and domestic details of any popular celebrity. Take, for example, Jennifer Bartlett. Nan Robertson in *Artnews* recounted her childhood desire to become a artist genius; Calvin Tomkins in *The New Yorker* narrated her encounter with film star Mathieu Carrière, who later became her husband, and Joan Juliet Buck in *Vanity Fair* related how movie stars came to visit her in the studio in increasing numbers, while Doris Saatchi in *House and Garden* novelised the couple's candleless dinner because Bartlett could not find any candleholders to her liking.[13] With no less excess, *Vogue* paid a visit to Julian and Jacqueline Schnabel's luxurious Tribeca loft, and its style-conscious readership were amused by haute-couture outfits from Jacqueline.[14] The new focus is not the art of the artists, but their clothes, their life-styles, where they live and what their favourite restaurants are. This celebration of living artists is not limited to the print media. Even more significantly, the television networks also helped fuel the popularity, or sometimes the notoriety, of contemporary artists.[15]

The artist as celebrity so often featured in the mass media helps transfer an effectively self-referential discourse of the art world to a popular audience, making art as a public display of spectacle and glamour conceptually possible. This both signifies, and itself is a signifier of, the larger context of our consumer society, where what is to be consumed has increasingly taken on a radically new and qualitatively different character. As art is promoted both on the basis of the art work and its producer/artist, so is the marketability of today's consumer goods. Sir Allen Sheppard, the hard-nosed chairman of Grand Metropolitan, reportedly said that these days the consumer's eye passes straight through the first-level consumer brand to settle on the "meta-brand" of the company itself.[16] It is therefore not only the purchasable product that has to be promoted, but also the unpurchasable image of the company that has to be aggressively marketed.

If artists themselves serve as a place of cultural appropriation and consumption, a similar transformation could be said to be simultaneously taking place in the art museum, where the manifest effect of this chic visibility has been the rapid growth and popularity of blockbuster exhibitions in the 1980s. It is the success of these blockbusters, measured in terms of the numbers of people passing the tills, which can be cleverly exploited for marketing purposes, that has attracted corporate art sponsorship.

The discussion that follows on the "marriage" of art museums and businesses (to adopt the widely known metaphor used to describe this particular relationship) will concentrate on two major areas where corporate intervention has made a visible impact on the art institution. First, according to the dual lines of inquiry set out earlier, the corporate élite played an inseparable role in that "marriage" as an increasing number of powerful business executives were recruited to sit on the boards of art museums in the 1980s, in particular those from the service sector. The change is especially noticeable in Britain, where the boards of trustees used formerly to be dominated by "the Great and the Good," a British euphemism for their hereditary aristocracy and upper classes.

Secondly, the section will deal with corporate art(s) sponsorship, by far the most visible and predominant form of corporate involvement in art museums. In some cases, where corporate membership of art museums has played a significant part, a discussion of membership will be included, which otherwise is too diffuse to make an impact. The section will also include a discussion on naming galleries in honour of corporate sponsors, a phenomenon which has been in the ascendant in Britain since the late '80s. Not unlike the rich donors heretofore, the companies sought a permanent presence within the premises of art museums, where companies' names would be, so to speak, "immortalised."

4.1 The Corporate Elite and the Boards of Trustees in Art Museums

Did you know ... that at one museum of modern art in California a sufficiently large donation guarantees a place on the board? At least we haven't reached that stage.

— Alan Bowness, former director (1980-88) of the Tate Gallery, London[17]

In America, as in Britain, there have been few, if any, *published* statistical data on trustees of art museums compiled from a sociological perspective. In the two otherwise fairly comprehensive collections of statistical data on the arts or museums in America relevant to the time-frame of this study, for example, the conspicuous absence of the topic is puzzling.[18] The very few publications on museum trustees have, unfortunately, provided a normative description of what an ideal trusteeship should be, rather than what it actually was in the 1980s and is at present.[19] Except in some notorious scandals where trustees were involved in underhand dealings, the rôle of trustees, whether in term of their social composition or the power they exercise, is an area which has been significantly omitted.

My recent attempt to find any statistically valid means of comparing the boards of art museums in both countries over time, along with their changes in the 1980s, met with outright suspicion. Indeed, I was advised by a source in the Museum Trustees Association that directors of museums are "very touchy" about the question and that it is almost an "impossible task" to pursue the issue.[20] In America, the biographies of those people who occupy similar roles as trustees in *public* agencies, such as the National Council on the Arts, the organisation which oversees the National Endowment for the Arts and Humanities, are available to the public. In stark contrast, the thousands of men and women (who usually qualify as the wives or daughters of the socio-economic *male* elite) who serve as trustees of art museums and control invaluable works of art and buildings *for the nation*, are far removed from the gaze of the public, whose interests they, presumably, represent.

Here in Britain, while the names of trustees of museums and art galleries, either national or with charity status, are available as public information, their biographies or occupations are not always so. The discrepancy, rationalised as being in the interest of confidentiality, cannot be more paradoxical. Are those trustees not presumed, on behalf of the public, to bring the perspectives gained from their individual (working) experience to bear on the operation of the institution they serve? On what grounds, then, is *the public* not supposed to know the background from which they come? The unavailability of the information is replete with meaning, something invisible that only Hans Haacke's 1974 piece, "Solomon R. Guggenheim Museum Board of Trustees" has so far made visible.[21]

Boards of Trustees in America

In contrast to the number and variety of art museums in America, the demographic composition of their boards proves to be surprisingly homogenous. In a rare cross-country survey of 156 board members by the Twentieth Century Fund in 1969 (*unpublished,* of course), 60 percent were at least sixty years old and had graduated from Ivy League or Little Ivy League schools; on average they held three trusteeships in different cultural or educational institutions, and 38 percent listed Episcopalianism as their religion. Nearly a third were in banking and finance (with many holding law degrees) and another fifth worked in law firms.[22] A similar profile was reported a few years later. 63 percent of art museum trustees are male, 44 percent are more than 50 years old, and 85 percent are white, with 3 percent for other ethnic minorities (12 percent were not reported). The business community was by far the single most dominant background from which the trustees were drawn: more than one third were business executives (24 percent), bankers, accountants or other financial experts (7 percent).[23]

These figures, however, say nothing of the close relationship between people on the board, who are very often intimately connected to each other. This should come as no surprise since most art museums in America were built, it bears repeating, as memorials to their donors and benefactors, and by tradition board membership is not only self-perpetuating, but also based on lineage and wealth, in which money and power are the prerequisites to entry. As explained by Grace Glueck, no less than ten out of the sixteen trustees at Cleveland Museum of Art were related to the Museum's founders, past trustees or benefactors either through blood or marriage.[24] A similar pattern can be found in museums elsewhere, if less extreme than in the case of the Cleveland board.[25]

Moreover, these trustee élites, just as they do in business, sometimes serve more than one museum board, and are related by family or business connections to the trustees of other museums. In the early 70s, for example, at the Museum of Modern Art, trustee Mrs C. Douglas Dillon was the wife of the president of the Metropolitan Museum; trustee Mary Lasker was the stepmother of Mrs Leigh B. Block, a trustee of the Chicago Art Institute, and of Mrs Sidney Brody, wife of the president of the board of the Los Angeles County Museum. Trustee John de Menil was a trustee of the Museum of Fine Arts in Houston, the Amon Carter Museum in Fort Worth and the Museum of Primitive Art in New York, to name but a few.[26]

Serving on museum boards is, therefore, quintessentially a "mandatory 'accoutrement'" of an élite social life. As one insider observed: "In our culture, in our way of doing things, that is the role of the wealthy ... And poor people go to the local church or temple, right? Make suppers, cake sales."[27] Not unlike joining a private social club, whose exclusivity signifies ultimate social status and power, board membership is part of the jigsaw of the upper class's networks of relationships, friendships and acquaintanceships. But art museums, after all, are *not* private clubs; they operate and function in the public sphere, thereby commanding significant public authority and respect. For anyone with the status of trustee, it provides an institutional means of wielding considerable power within society; it is an avenue of consequence in a capitalist democracy.

Of course, museum trustees will not see themselves as running an exclusive social club, or at least, not in public. To quote George C Seybolt, president of the board of trustees at the Museum of Fine Arts in Boston: "In essence the trustees represent *the public* ... Since a substantial part of every museum's collections and endowments is derived from *our method of tax deductions*, they are also responsible to the *smallest taxpayer*, and by extension, to *every citizen* [italic added]."[28] It would be very difficult to see how these trustees can actually achieve the democratic claim they make, with such undemocratic representation on an essentially white-dominated, if not WASP-oriented, board.

This is not to say that all art trustees are necessarily businessmen or their associates. To seek a charter for non-profit status or financial support from the city, the founders/trustees of the museum are usually obliged to include some *ex officio* members or people from the major educational institutions in the city. The Metropolitan Museum, for example, have five *ex officio* members on its board, including the mayor, in exchange for the land in Central Park and all the maintenance expenses provided by the City of New York taxpayers.

Further, in response to public criticism, and in particular the need to apply for public funding in the 1970s, American museum boards have elected some trustees from the minorities (blacks or other ethnic groups), or people outside the upper echelons of American society. The Museum of Modern Art, for example, elected a black trustee, Dr Mamie Clark, a psychologist, to its board in 1970, for the first time in its more than forty-year history. All the same, whether they are *ex officio* members or minority representatives, they are token members of the board, and seldom exert real power. As Karl Meyer pointed out: "[t]his democratization rarely extends to the key decision-making committees, whose recommendations the full board normally ratifies."[29]

By the 1980s, the American museum boards were already filled with powerful businessmen and their spouses/daughters. Optimistically, in 1971, Grace Glueck, art critic of the *New York Times,* took the view that: "Even Old Guard trustees can see the handwriting on the wall — that the cozy, clubby era of museums as private fiefs is over. Trustees in the future will have to earn their places on the boards by more than money and the magic of family name."[30] Two decades later, Anthony Sampson recalled the situation in the 1980s when "the Met began to look more like a playground and cat-walk for the rich — the 'Club Met' or 'Rent-a-Palace'..."[31] This telling juxtaposition is not contradictory in itself. As money and power remain the *sine qua non* for American trusteeship, the museum boards of the 1980s were simply colonised, alongside the old family names, increasingly by the new rich, a generation of businessmen (and few businesswomen) whose entrepreneurial ambition was enormously boosted by the de-regulated market under the Reagan administration. This money-determined ethos is made unequivocal by the famous Three *G*s, "Give, get, or get off," or as spelt out by Joseph V. Noble, Director Emeritus of the Museum of New York:

> A trustee is expected to *give* money. A trustee, by using political and social muscle, is expected to *get* money. If a trustee can't do one or the other, then it's time to *get off* the board and let someone else sit.[32]

Given the scope of this study, I shall concentrate discussion on the trustees of the Whitney Museum of American Art in New York. There are several reasons for this choice: first, although the Whitney was officially established by Gertrude Vanderbilt Whitney in 1931, it remained strictly a family affair until its move to the present Marcel Breuer fortress in 1961.[33] Its expansion and growth in subsequent decades, therefore, have more in common with other art museums in America, half of them established in the 1960s and 1970s (see Table 2.2). Secondly, given the difficulty of finding information on trustees and the limits of our study, I had no choice but to rely, along with the standard biographical sources such as *Who's Who in America*, on the brief notes about the trustees provided by the Whitney Museum's own bulletins published since 1978. This is of course very limited, as it is not always possible to work out the relationships created by marriage or business. Last but not least, the Whitney Museum does provide the most illuminating example of how far a "marriage" between art and commerce had travelled by the 1980s.

The growth of the Whitney board was noticeably concomitant with the rapid expansion of the museum's activities in the 1970s and 1980s, in particular its increased financial needs. When it "went public" in 1961, at a time when the Whitney family could no longer single-handedly support the institution they had founded, it added 9 non-family trustees to its board, bringing the total up to 16. The next great expansion came when Thomas H Armstrong took over its directorship in September 1974. Within the following four years, he appointed 14 new trustees, bringing the total to an all-time high of 29.[34] At the end of the 1980s, the number of the trustees had risen again to a total of 38, including the director and three honorary trustees.

An analysis of the Whitney trustees between the late 1970s and late 1980s can demonstrate some of the changes in question, although this approach is substantially circumscribed by the fact that once a trustee is elected, he or she is likely to be on the board for about a decade or more, and the shift in the 1980s was therefore not as drastic as it otherwise might have been.[35] According to the museum's bulletin, on 30 June 1978 there were 27 trustees.[36] The Whitney family were represented by four members: the President of the Board and granddaughter of the Museum founder, Flora Miller Irving; her mother (F. Whitney Miller as honorary chairman) and her husband, Michael H. Irving, and Sandra Payson, who married John Payson, a cousin of Flora Miller Irving. There were seven trustees from the world of high finance, and another five trustees were top corporate executives, the very people allied to big money and corporate power. These included Arthur G. Altschul, a partner in the investment banking firm of Goldman, Sachs; Howard Lipman, a senior partner in the brokerage house of Neuberger & Berman; Leonard A. Lauder, then president (now CEO) of the cosmetic conglomerate Estée Lauder; and Laurence A. Tisch, then CEO of the Loews Corporation, and now also CEO of CBS. With the inclusion of two lawyers on the board (Joel Stanley Ehrenkranz and David M. Solinger, a lawyer who had married into the Gimbel department-store family), approximately 52 percent of the trustees came primarily from the business world.

This number, however, is deceptive, for the six women on the Whitney board are either the wives of rich businessmen or wealthy heiresses of big business money. This relationship is partly indicated by the fact that these affluent businessmen's wives were often listed in their husband's names as Mrs so and so, rather than in their own names, a trend which, however, was in decline during the '80s.[37] Barbara B. Millhouse, for example, is heiress to the huge R. J. Reynolds tobacco fortune in North Carolina, while Mrs Charles Gilman is wife of the president of the Gilman Paper Company in New York. Although it partially reflected the trend of the growing number of women trustees since the 1970s,[38] their presence is inseparable from the men who make the money and allow their wives the leisure of not having to work, but to be a "career trustee" or as "an alternative to 'doing nothing.'"[39] Or to put it politely, they belong to the category of "civic workers," that is to say, the woman is what G. William Domhoff described as "a long-time volunteer worker or official in one of the many welfare and civic organizations," a blue-blood tradition historically associated with upper-class women in America.[40] The brief biographical details provided by the museum's own bulletin on Elizabeth Petrie, wife of Donald A. Petrie (then chairman and CEO of Harper's Magazine and chairman of the Monitor Publishing Co.), is typical.[41] Joining the Whitney board in 1980/81, she served at the same time as a trustee for the Philadelphia Museum of Art, the Corcoran Gallery of Art in Washington D.C. and the American Federation of Arts, and an overseer for the Faculty of Arts and Sciences at the University of Pennsylvania.[42]

In this sense such women are not unlike "ceremonial consumers," a term which Thorstein Veblen used to describe the wives of the rich in the last century.[43] Their conspicuous consumption lies not only in the haute couture in which they dress themselves while participating in museum functions, but also in the very fact that a seat on the board may well have cost a six-figure sum per year in the 1980s.[44] Being a trustee of art museums, therefore, is a way of advertising one's opulence, a way of gaining social status with automatic publicity. Excluding the heiresses, the female trustees represent, in essence, the social category of "executive's wife," whose role of participating in social and civic affairs is significantly related to their husband's position in the world of business.[45] Yet, regardless of whether these women inherit or marry into wealth, it is precisely because these female members of the upper class are outside the economic domain inhabited by the male élite, on whom they are financially dependent, that they can be an extension of the economic power of those businessmen.

Of the 34 trustees on the Whitney board at the end of the 1980s,[46] the Whitney family were represented only by its chairman, Flora Miller Biddle.[47] While the high financiers retained their control of seven seats, a substantial proportion of corporate executives were now recruited to serve on the board, rising from five to thirteen. The combination of these two groups, along with the two lawyers, gave them a majority of nearly 65 percent on the board, 13 percent more than that in the late 1970s. And there were, still, no blacks or Hispanics represented.

A close look at these corporate executives further reveals some quintessentially '80s phenomena. It was the first time that entrepreneurs who had made their fortune primarily in real estate had made it to the Whitney board (an area of business which produced the highest percentage of people listed in the *Forbes 400* in 1988). During the decade three of the new trustees were from real estate, most noticeably the billionaire Adolph Alfred Taubman.[48] Taubman, who set up his construction firm in the 1950s, represents the 1980s generation of the rich who made enormous sum of money simply by speculating during the frantic spree of raids and takeovers that took place during that era. They were the chief beneficiaries of the American boom during the Reagan decade. For instance, Taubman led the Irvine ranch buyout in 1977 and made a profit of $150 million when it was resold to D. Bren in 1983. In the same year he bought Sotheby's, pocketing $47 million, and keeping 56 percent of it by taking it public in 1988.[49] In the 1984 *Forbes 400* he was listed as a millionaire in the ranks of $500-hundred-million. Within the short span of three years, he jumped into the big league of billionaires in 1987. In this respect Taubman is not just an isolated case. The fortune of Leslie Herbert Wexner, a trustee introduced by Taubman to the board from 1983/84 to 1988/89 and a part-owner of Sotheby's, similarly skyrocketed through playing the stock market. In the 1984 list, his net worth was just over $500 million, but in the following year he was in the billionaire class as his stock rose over 100 percent.

Another important occurrence is the entry of "corporate trustees" to the Whitney board — the kind of businessmen whose trusteeship is unequivocally a *quid pro quo* for their brokerage of an unique deal between the museum and their respective companies. George Weissman, then chairman of the Board of Philip Morris Inc. and Benjamin D. Holloway, then executive vice president of the Equitable Life Assurance Society and Chairman and CEO of the Equitable Real Estate Group, joined the Whitney Board in 1980 and 1984 respectively. Not only did both companies contribute handsomely to the museum, but, more specifically, both men were instrumental in establishing a Whitney branch within the headquarters of their respective companies.[50]

While the Whitney branches are a subject for further discussion in Chapter 5, suffice it here to say that, being in a position of corporate power, both Weissman and Holloway struck the branch deal in order to gain substantial benefits from the presence of the museum at their headquarters. Both men represent the "cultural managerial capitalists," discussed in Chapter 1, whose corporate position derives from their managerial skills. But they are unlike their nineteenth-century predecessors in one crucial aspect. However hypocritically, the nineteenth-century capitalists and their early twentieth-century successors still insisted that they philanthropically served the public interest. As Mrs J. D. Rockefeller the 3rd reflected on her involvement with the Board at the Museum of Modern Art in New York over many years: "I'm not a violent women's lib person ... but I was brought up to believe you should be of service to your community."[51]

By contrast, the '80s corporate trustees displayed ambition quite nakedly. Neither Weissman nor Holloway hid the motivation of their involvement in the Whitney as part and parcel of a corporate strategy. To quote Weissman:

> Our basic decision as a corporation was not in the development of art; our basic decision as a corporation was that we had to be unique and have a personality and an identity that was different from the rest of the tradition-bound [tobacco] industry.[52]

The fact that they were able to be so frank and had no need for pretence only indicates the extent to which they were confident in exercising their political and social influence to secure their own commercial interests. Unlike the more consistent and direct effects of corporations' sponsorship of exhibitions, corporate executives' influence on any museum is generally an undercurrent that operates below the visible surface. This is therefore a real pointer as to the qualitatively different type of influx of corporate power into museums in the '80s.

The expansion of the board, however, is not the only means by which corporate executives exert influence on the governance of art museums. Although a full investigation is not possible here, it is worth noting, that while there are limitations on the number of trustees that can be appointed, more trust committees, such as the Corporate Committee of the Whitney, were formed in the 1980s, while those in existence had added new members. By these means more corporate executives have been recruited to the museum than the main board could otherwise accommodate. As with board members who have to contribute a significant sum of money annually, these people are very often recruited for their financial "clout."[53] Even if they may not be individually as rich as the trustees (which is why they are not on the main board in the first place), their top position in a corporation often ensures unique networking opportunities and access to other corporate coffers. According to a source at the Whitney, a Corporate Benefit night at the museum raised over a million dollars in 1994 and between $500,000 and $600,000 in 1995. Not uncharacteristically, it was the chairmen or the CEOs of the big corporations sitting on the museum's Corporate Council who, by writing to their business associates or contacts, helped sell the tables, some of which cost as much as $10,000.

But where are we to locate the reward for a trusteeship? Very often the trustee-museum relationship is characterised as "a two-way street."[54] Or as Agnes Gund, now president of the board of trustees of the Museum of Modern Art in New York, bluntly put it some years ago: "Why should they [the trustees] give something, and get one day of parties and a champagne toast and that's it?"[55] To keep this study within limits, the discussion that follows will concentrate on corporate executives as individuals, while the return to their corporations will be explored in the next section on sponsorship, as both share common features.

Social prestige and status are the obvious trophies conferred by membership of an exclusive museum board. But the reality of the situation is more significant and delicate: most American boards are full of collectors, businessmen included, who are buying (contemporary) art. This is not to imply that trustees are necessarily involved in something illegal or unethical. Yet the fact is that being a trustee allows them inside advantages and benefits, say, over non-trustee collectors, which potentially can result in substantial financial gain for themselves. For instance, they know in advance which artists' works will be acquired or exhibited by the museum, thus affecting the reputation of the artists and their market. If the trustee-collectors purchase or collect for themselves the works by the same artists, the value or prestige of their collection will be automatically enhanced after the museum exhibition, regardless of whether or not any works from their collections are exhibited.[56]

At this juncture, however, it must be emphasised, first, that trustees, according to the common law trust standard, should act solely for the benefit of the beneficiaries, that is, the public. Second, they should have a duty of undivided loyalty both to place the interest of the museum first and to avoid self-dealing and conflict of interest, and not to use their board position for personal gain.[57] The standard of conduct required of a trustee has been summarised in the oft-quoted words of Benjamin Cardozo, in the case of *Meinhard V. Salmon*, as follows:

> Many forms of conduct permissible in a workaday world for those acting at arm's length are forbidden to those bound by fiduciary ties. A trustee is held to *something stricter than the morals of the market place...* [italic added][58]

In the light of this conception, the reality of the behaviour of museum trustees in America is far from uncompromising. Not only have the issues of conflict of interest and public accountability never been rigorously observed, but even when they arise, they are easily dismissed by the parties involved. For example, when Alfred Taubman bought Sotheby's in 1983, he was not only on the Whitney board, but also on the Museum's Painting and Sculpture Committee (as was Leslie H. Wexner, part-owner of the auction house). Do not the acquisitions and exhibitions at the museum affect the reputation of the artists whose works, if subsequently auctioned, will fetch a higher price? To what extent did Taubman influence the choice of exhibitions and acquisitions made by the museum? Questions like these, however, are rarely posed. Taubman was reported to have informed his fellow trustees about his business interests in Sotheby's and they apparently decided that "it was not a conflict of interest" and that he should remain on the board.[59] In a somewhat contradictory vein, Flora Biddle, chairman of the board, apologetically defended Taubman's position:

> I've thought a lot about it. *It's almost impossible to be a trustee and not have conflicts of interest.* The board is full of collectors who are buying contemporary art. The problem the Whitney has generally is that as soon as we have a show or buy a piece, the artist's dealer raises his prices by 30 percent. What do we do about that? [italic added][60]

She went on to praise Taubman's strong values and ethics and to stress that he would not become involved in a conflict of interest. But the rub remains that most *informal* transactions between the trustees and the museum take place behind closed doors, and there has, therefore, never been an effective critique of their roles. When personal integrity and self-policing fail, few practical means exist either to expose or correct this abuse. Theoretically, it is open to the ordinary citizen to challenge in the law courts any trustees who have violated their fiduciary duties. In reality, only the state attorney general has the necessary means and expertise to effectively bring the charges. Surprisingly, despite the pervasive and compromising situation in American art museums, as evidenced by Flora Biddle's remarks, very few legal actions have been registered.[61] This has less to do with self-regulation on the museums' part and more to do with the fact that trustees are very often so-called "blue-ribbon citizens," both economically privileged and socially prominent. Rigorously to enforce trustee obligations becomes thereby a highly charged political issue. With the exception of extreme cases, the state attorney general is understandably reluctant to investigate the dark underside of museum operations, nor does he have the staff to undertake such action.[62]

The extent to which these businessman trustees may influence the operation of museums is difficult to determine. The precise mechanisms through which they exercise their power are not the kind of knowledge that is for public consumption. But their "mogul power" is a fact attested to by an incident reported by Grace Glueck, the art correspondent for *The New York Times*. Leonard A Lauder, the vice chairman of the Whitney Museum and the CEO of Estée Lauder Inc., was quoted as he recalled a glittering acquisition in 1980: "Let's get a million-dollar painting! If we're going to buy paintings, we have to make a splash."[63] It is not the particular painting in question but its price that dominates the thinking of these magnates. Three Whitney trustees, along with an anonymous donor, gave a total of $825,000, with the rest to be met from the museum's general fund. The painting, then suggested by the Director Tom Armstrong, was Jasper Johns' *Three Flags*, and this realised a record sum for the work of a living American artist. Lauder was further reported as saying: "[s]ince then, people have taken our collecting efforts seriously."[64] To what extent this instance is representative of the power of businessmen on museum boards in general needs further exploration, but the signs are obvious: flashy pretensions had come to be interpreted as substance and seriousness, while the social and personal éclat associated with the extravagant lifestyle of the rich was played out by these corporate executives at an inflated level in the 1980s.

Boards of Trustees in Britain

In Britain the intricate network of art museums and galleries can be basically divided into three types, according to their funding sources.[65] First, at the top tier are the national museums and galleries, such as the National Gallery and the Tate Gallery, which were, and primarily still are, funded by central government but run by "independent" boards of trustees. Second, there are the dozen or so so-called "independent galleries," such as the Whitechapel Art Gallery in London and the Anolfini Gallery in Bristol, which were heavily reliant on grants from the Arts Council of Great Britain, supplemented by local authorities and other public sources, such as the London Arts Board. Third, local authorities have funded a series of art museums and galleries throughout the country, such as the Leeds Art Gallery and Museum. These are run directly by the civil adminstration, and have no relevance in the context of this study. The discussion which follows will focus, accordingly, on the first category of galleries, with occasional reference only to the second type of galleries.

The American example of museum trustees is instructive in showing what would have been in store for Britain if the Conservative government's predilection for the free market had ever been realised with full force in the museum world. Unlike American trustees, whose role has always been directly related to the museum's financial stability,[66] British trustees, until the Thatcher decade, had virtually no need to pay special attention to the financial aspect of the institution they were responsible for, and they had generally played a merely advisory role. This is not to say that they were not in a position of power to affect the direction of the museum. As a matter of fact, according to the convention of English common law, they were, on behalf of the nation as a whole, the "collective owners at law of the national treasures entrusted to their charge."[67] In this respect, they were not unlike their American counterparts, but only to the extent that their power had remained largely dormant throughout most of the history of the public museum in Britain.

Accordingly the difference between the British and American boards was primarily a financially determined one, a result of different art funding systems in the two countries, and to a lesser degree, a constitutional one.

This is not to suggest that the British boards in the pre-Thatcher period did not consist of men of wealth and social standing. Indeed, the board very often comprised a distinguished star-studded cast of the great and good of the land, such as minor royals, members of the aristocratic class and knighted captains of industry. These trustee museums, like other quangos such as the Arts Council discussed earlier, are a distinct brand of British institution, the kind of establishment which operates, in the words of Martin Kemp, a former trustee at the Victoria and Albert Museum, "through *unwritten rules of consensus* and personal constraint [italic added]."[68] Or as Sir Norman Reid, the former director at the Tate Gallery, put it: "All this works on a fairly *informal* basis, but there is a clear understanding of what are the duties and rights of the Trustees and what of the Director and the staff [italic added]."[69] Because of their birth and breeding, which often means, at the very least, a "public" school and Oxbridge (Oxford and Cambridge) education (of which more later), and a career or otherwise amateur commitment in public service, these trustees share certain common values and beliefs. This mutual understanding, which does not need to be *openly* expressed, is precisely what Raymond Williams so succinctly described as "administered consensus by co-option," as mentioned in the previous chapter.[70] One feature that British and American boards share is that in both countries boards of trustees are far from being representative of the population at large, but are dominated by a very small segment of the country, which is undemocratic to the core.

It is within this traditional establishment mentality that the role of trustees had always been vaguely perceived as "trustees for the nation." Through the metaphor of trust, the trusteeship is frequently couched in paternalistic terms; they are, to use a ubiquitous term of the '80s, guardians of "national heritage." In contrast to what Martin Kemp rightly described as the "more active, partisan, and managerially-minded" trustees of the '80s, what is implied in effect in the cosy rhetoric of guardianship are the so-called "traditional ideals of public service," a kind of patrician *noblese oblige.*[71] Apparently the assumption, which Kemp himself is also guilty of making, is that trustees of the older generation were "men of quality and spirit," who took up trusteeship on behalf of the public, and mediated "non-partisan representation of diverse interests."[72] It is, however, open to question whether personal integrity and ethics are necessarily inherent in people with social standing, although until the 1980s British trustees were never *publicly* involved in the endless cases of conflict of interest and abuse of board positions experienced by their American cousins. Or at least so I believe, for I have no means of accurately assessing the quality of British trusteeship in the past, given the lack of extensive research on the topic and the limits of this study.

What definitely sets British boards far apart from American ones is that a comparatively high percentage of trustees on British boards was, and still is, composed of people professionally involved in the visual arts, including artists, art critics, art historians, and to a much lesser extent, architects.[73] This is not to suggest that being arts professionals necessarily absolves them from being part of the British establishment, or automatically disconnects them from positions of power and privilege, despite the fact that some artists take on the role of representing marginalised communities.[74] Some artist trustees indeed went to the so-called Clarendon schools,[75] as their fellow business trustees did (Anthony Caro went to Charterhouse, while Victor Passmore went to Harrow School; both were former trustees at the Tate Gallery), although their artistic training would take them away from the well-trodden educational pattern reserved for British élites. These arts trustees can certainly have an impact on the way in which galleries operate, and they can be politically influential too, but the form of their leverage is at best fragmented and *unorganised*, and of an entirely different order from, say, the institutional power and influence exercised by the chairman or chief executive of multinationals, who occupies crucial position in the structure of the economy and can mobilise *organised* capital on a global scale.

The arrival of the Thatcher regime, along with the ideology of privatisation, which was discussed in the previous chapter, meant that grants-in-aid to national museums and art galleries as well as to the Arts Council were severely cut. Consequently the publicly funded art institutions, already on strained budgets, were forced to engage in an endless chase after corporate money and other alternative sources of income. For instance, the Serpentine Gallery in London, which was largely funded by the Arts Council until 1987, is now dependent on other sources for more than 50 percent of its operating expenses.[76] As far as trustees were concerned, it was these financial circumstances that made it increasingly imperative to recruit more businessmen (and still predominantly *men*) to join boards throughout the Thatcher decade: they themselves became highly "collectible" and were expected to exercise their financial "clout" to raise money from the corporate sector on behalf of the art institution.

For national museums and art galleries, the overwhelming majority of whose trustees were appointed by the Prime Minister, the rise of businessmen on the boards was even more conspicuous.[77] Although it is not possible to explore here the change in other institutions in detail, it is essential to point out that the trend was so predominant as to extend to appointments of virtually all boards in other public arts organisations, such as the Royal Opera House.[78] The board of the Victoria and Albert Museum, for instance, which acquired its trustee status only in 1983 and whose members were thus all appointed by the Prime Minister is the most illuminating example of the workings of Margaret Thatcher's policies and ideology. While Robert (now Lord) Armstrong, Thatcher's favourite civil servant, was appointed chairman of the museum, more than half of the board members came from the background of private enterprise, including the chairman of the Wimpey construction group, Sir Clifford Chetwood; the former managing director of the Mobil Oil company, Sir Nevil Macready; City grandees Ian Hay Davison and Sir Michael Butler (a former diplomat) and Maurice (now Lord) Saatchi, then chairman of the Saatchi & Saatchi empire, the world's largest advertising agency in the mid-'80s.

The subsequent introduction of admission charges and the "Laura Ashley of the Eighties" style museum shop were part and parcel of the money-spinning strategies that these businessmen brought to the museum.[79] The V & A was to be further restructured in 1989, in the face of international protest and furore, to remove any remaining obstacle to entrepreneurial dynamism, an approach guided not insignificantly by men from Saatchi and Saatchi, the same agency which had run Margaret Thatcher's election campaigns.[80] According to Martin Kemp,

> The nadir of this approach was reached when one of the smart young men from Saatchi and Saatchi was introduced ... to present a series of propositions on virtually every aspect of the museum's operations. Each proposition was written on a single sheet of paper in large letters, and the Trustees were taken through these like a primary-school reading class. Needless to say, the selling of assets and compulsory admission charges featured prominently in the presentation.[81]

What concerns us most in this specific context, however, is the unmistakable conflict of interest in the position of Maurice Saatchi. As a trustee of the museum, his company was apparently at the same time selling services to the museum, a practice which ran through the '80s and to which we shall return shortly. To gauge the profound change that the Conservative government brought to the museum boards in Britain, we will have to turn to a detailed analysis of the case of the Tate Gallery. This is, in size and status, comparable to the Whitney Museum, which we have already analysed earlier in this chapter.

Unlike American art museums with their ambiguous public/private status, the Tate Gallery is a public institution, funded by central government. Like other national museums and art galleries in Britain, the Tate is thus subject to government control, not only in terms of its finance, but also to the extent that its essential organisational structure is determined by various Treasury minutes and Acts of Parliament. This is despite the claim often made for so-called "independent" boards of trustees, which ostensibly function under the "arm's length principle" from government, and are presumably *free* from direct political intervention.

Direct intervention, however, was not something that the Thatcher government hesitated to indulge in. A definite sign of fundamental change to how the Tate operated during her tenure was the way in which the terms of the appointment of trustees were altered. It was more than thirty years since a Treasury Minute of 1955 had established the convention that the Gallery had ten trustees, of which four were to be practising artists. The Thatcher government's new policy with regard to "the problem of the Tate," to quote its Treasury Minute dated 7 November 1987, was to reduce the artist trustees from four to three, and to increase the total number of trustees to eleven, with ten to be appointed by the Prime Minister and one by the trustees of the National Gallery from amongst their own board members (who, of course, were appointed by Mrs Thatcher as well).[82] The term of the trusteeship was also reduced from seven to five years, and, again according to the Minute, the five-year term might be extended for a further five years or more, which in fact resulted in certain trustees remaining on the Board for more than a decade, a phenomenon unheard of in the previous two decades.[83] This significant change not only weakened the representation of artists in the running of the gallery, but also, by making the terms of appointment more elastic, it permitted the Government, or to be precise the Prime Minister, to take even tighter personal control of board appointments.

The most signal example of her intervention is the appointment of Dennis Stevenson as the chairman of the Tate Gallery in 1988, to replace the retiring Richard (now Sir Richard) Rogers, "Europe's [most] prominent architect ever since he won the competition for the Centre Pompidou in Paris in 1977."[84] The fact that Richard Rogers was serving an eight-year term instead of seven before he retired, already broke established convention.[85] But the more intriguing development was that the chairman of the Tate used to be elected from among the trustees themselves, at least according to the previous convention, whereas the decision on Stevenson's chairmanship was, in fact, parachuted in from Downing Street just four weeks after he was appointed as a trustee.[86]

According to Bernard Levin, the Tate Gallery actually invited Sir John Burgh, who had recently retired from the post of director-general of the British Council in 1987, to become a trustee with the intention of succeeding Rogers.[87] Despite the fact that Sir John was a career civil servant, "precisely the sort of timber from which the old-style Great and Good had been hewn," his outspoken criticism of the budget cuts suffered by the British Council since the 1979 election could not have pleased Downing Street.[88] Whereas previous Prime Ministers usually rubber-stamped the choice of the boards of national museums,[89] after three weeks' silence Downing Street instructed the Tate to find a substitute for Sir John who was not acceptable to the government. "Are we," asked Bernard Levin, "at the court of Henry VIII? Or of Stalin?"[90]

Whether or not Sir John Burgh would have been an excellent chairman is not the point. What this act of outright political censorship meant was that appointments to these high-level public positions within an ostensibly democratic state were to be made with less and less public accountability. Compared with American museums whose boards are self-perpetuating and answer to nobody, the public nature of British galleries had been, at least, to some extent preserved by virtue of its constitutional framework. Yet, as we saw in the previous chapter, public appointments under Thatcher were dominated by one specific ideological criterion, which is encapsulated in her infamous catchphrase, "one of us." By overturning convention, whether written or otherwise, when it saw fit for its own political purposes and bypassing *public* consultation, the Conservative government was further weakening the bourgeois state's already weak claim to democracy.

Direct intervention, of course, was not the sole means of shaping the new look of the Tate during the Thatcher years. A more profound change still lies in the trustees actually appointed, in whom ultimate authority over the institution is after all vested. Precisely how the list of potential trustees is drawn up by the incumbent trustees and the director before it is delivered to Downing Street is a well kept secret and never subject to public debate or investigation. An episode such as that of Sir John Burgh lifting the veil of "discretion" is a rarity. Yet, even without overt pressure from above, the political sensitivity of certain arts bureaucrats would surely guarantee a carefully thought-out list which would not go against the grain. As Nick Serota, Director of the Tate, was quoted as saying in 1989:

> I have the feeling that if I wanted to have Professor Richard Wolheim — who is, after all, an outstanding philosopher and art theorist — on the Board of Trustees, I think the chances of Number Ten choosing him would be quite slight.[91]

The fact that Serota was appointed by the trustees to replace that firm supporter of state-funding Sir Alan Bowness in 1988 makes his position particularly delicate.[92] This is not to suggest that Serota is in any sense a Thatcherite placeman. He is, nevertheless, by inclination or by passive acquiescence, congenial to the political order of the day. Back in 1980 when he was still the director of the Whitechapel Art Gallery, what he had to say about the appointment of trustees perfectly epitomised the transformations in trusteeship that would characterise the Thatcher decade:

> The most immediate need is for those authorities who appoint trustees to recognise that one of the best services of any trustee would be to *make contacts for the gallery and assist in fund raising*, and not just be a guardian of local authority money [italic added].[93]

Before looking at the Tate trustees specifically, another important development related to the new fund-raising role of trustees deserves consideration. Whereas in America the number of trustees on a board can be increased to some 30 to 50 members, constraints imposed by public law make this impossible in British museums and art galleries. To circumvent this, trustees in Britain have, willingly or unwillingly, created their own version of American-style boards. Instead of adding more corporate executives to their boards, which is not always permissible by law or their charters, British galleries established separate foundations for fundraising purposes, such as the Tate Gallery Foundation established in 1986, and the Whitechapel Art Gallery Foundation set up in 1984.

Within the structure of the Tate, there are also the Patrons of British Art and Patrons of New Art, established in 1986 and 1982 respectively, to assist with acquisitions for the gallery's collection, following the freezing of the government purchase grant at a level of about £1.8 million in 1979.[94] These two groups, structurally speaking, are, however, more in the category of museum friends organisations since their membership is by subscription; nor do they command the same degree of authority and influence as the trustees of the Gallery. There are several reasons, on the other hand, why they are to be regarded as significant in the context of the present discussion, in particular as far as the Patrons of New Art status is concerned. First, although the subscription fee to join these groups is relatively small,[95] and their membership, at least in theory, is open to everyone, the people who do join are not ordinary members of the public, but tend to be "dealers, collectors and business or City types" and those connected with a network of people in positions of power and influence, such as the wife and daughter of the deputy Prime Minister, Michael Heseltine.[96] These members thus can mobilise, collectively or individually, substantial resources, whether corporate or private. For example, while Mrs Jill Ritblat was on various committees of the Patrons of New Art, the company which her husband John Ritblat (who in turn is a member of Patrons of British Art) chairs, the British Land Company plc, was one of the principal corporate sponsors.[97]

Second, they work with the Director and curators of the gallery in purchasing works of art for the gallery through subscription fees. Such inner workings would be much less problematic if the members on the Executive Committee or Acquisitions Sub-Committee were not already professionally involved in commercial art dealing. Apparently there has been little if any public discussion of the issues of inside advantage that such involvement inevitably generates, except in the *cause célèbre* of Charles Saatchi (of which more later). To the extent that their subscription fees are tax deductible, through which mechanism these groups indirectly contribute to public art collections, there is little doubt that they are in fact acting within the public, not just the private, sector. In this respect, their status is not dissimilar to that of a "public trust."

Third, and more importantly in the present context, some of the members active on these groups are closely related to the Tate trustees, such as Penelope Govett, Events Organiser for Patrons of New Art, whose husband William Govett was a gallery trustee from 1988 to 1993. The absolutely central strategic position that such a group of so-called "art lovers" occupies in relation to the board of the gallery or Gallery Foundation makes its otherwise diffuse and fragmented membership worthy of closer scrutiny here. In this respect, such people can, without exaggeration, be described as constituting unofficial miniature trustee boards of one sort or another.

Although my intention had been to explore the Tate Gallery Foundation Board along with the main board, this proved in reality to be almost impossible. While some trustees of the Gallery Foundation overlapped with the main board, the three women on the Foundation board were not listed in *Who's Who*, nor was the American-born financier, John Botts.[98] Personal approaches to the Tate invariably ended in my being shunted, without success, from spokesperson to spokesperson. Typical of the sorts of answers I received was: "Yes, the public have their right to know a lot of things. But we still think they are private citizens. I can't give you information like that." One source, however, did agree to provide some information, but this turned out to be, in her own words, "rather sketchy."[99] When I further inquired if she could indicate who the trustee Mrs Sandra Morrison was, I was told: "I hope you will really appreciate that you have to do your own research; I can't do that for you."[100] The discussion that follows will therefore concentrate on the gallery's main board, with some, alas, only incidental reference to the Foundation Board.

In order to map out the changes that have taken place, I have examined statistically the demographic make-up of trustees since the 1960s in terms of gender, education (schooling and universities) and occupations. I exclude artist trustees from the data as their representation on the board is fixed by public act, and any longitudinal comparison would accordingly not be meaningful. I include data on the trustees during the '90s, partly for reference purposes and partly because they provide some insight into the Thatcher legacy as it survives into the '90s. It should be noted, of course, that the evidence from the '90s is by definition not yet complete.

It is unequivocal that in the '60s and '70s, the Tate Board was quintessentially a male club.[101] The addition of three women to the Board in the '80s is largely consistent with other changes occurring within society at large (see Table 4.1), although the Board still consisted predominantly of men (72.7 percent male and 27.3 percent female). Nor is this factor, of itself, to be taken as proof of a broader representation on the Tate Board. The transatlantic parallel is that some of these female trustees are on the Board not because they are the representative of the female population at large, but because they themselves are part of, or have intimate access to, the network of people of money and power. The most illuminating example is the Countess of Airlie, one of the few trustees to remain on the Board for more than a decade.[102] Brought up in the United States, she is the grand-daughter of the financier and philanthropist Otto Kahn.[103] Married to Lord Ogilvey (who succeeding Lord Maclean as Lord Chamberlain in 1984), she has been Lady of the Queen's Bedchamber since 1973. Her aristocratic connections are a classic example of the intermarrying of inherited wealth and power, and hardly make her a meaningfully representative female figure.

The second distinctive characteristic of the Tate trustees is the overwhelmingly similar educational background they share. This, of course, is not a surprise, as numerous studies of the British élite have already shown, that historically a whole range of British national life has been, and still is, dominated by the *men* who have been to public schools and then to Oxford and Cambridge Universities, sometimes derogatorily referred to as "Oxbridge mafia." A unique, and indeed peculiar, feature of class distinction in Britain is how admittance into the élite circle is determined at such an early age by public-school entry, and into such a tiny number of schools, and especially Eton. As an effective signifying system of upper to upper-middle class upbringing (whatever these terms might mean), the inclusion of schooling in this analysis proves to be anything but arbitrary.

In the '60s, 90.9 percent of the trustees had gone to public schools, with 45.5 percent attending the so-called Clarendon schools, while in the '70s, the proportion was 70.0 percent with 40.0 percent having passed through Eton. Although the proportion fell to 45.5 percent during the '80s, this was partly because of three trustees having been educated overseas, and partly because another three had come from state-funded schools (see Tables 4.2.1 and 4.2.2). This percentage decrease is impressive, but by no means conclusive. Statistically speaking, the number of trustees appointed in a decade is fairly small; a change in one or two individuals is likely to show an exaggerated percentage reaction. Whether or not there has been any truly significant shift is far from clear, especially in view of the figures so far available for the '90s, which show that the most recent trustee appointments have all been educated at public schools, with as many as 42.9 percent of them having gone to Eton.

Similarly, the dominant position of Oxford and Cambridge in the makeup of trustees' higher education can still be discerned. Within the time period covered here, the percentage of Oxbridge graduates among the trustees remained at its highest in the '60s (66.7 percent) and '70s (70.0 percent), with a decline to 36.4 percent in the '80s, before a resurgence to 71.4 percent during the '90s (see Tables 4.3.1 and 4.3.2). While the spread of backgrounds might be wider in the '80s than it was in the previous two decades, this does not suggest that any broader representation had been achieved. As with the question of gender, education cannot, in and of itself, be an absolute indicator.

This point is tellingly summed up by one anonymous Tate source when speaking of a particular trustee who had no known university education: "It doesn't make any difference. He is a man who comes from a very wealthy family."

What distinguishes '80s trustees from those of the previous decades is ultimately their occupations. In the '60s, 38.5 percent of trustees were from academia and the arts world (including writers, critics and art historians), 46.2 percent from business and 15.4 percent from the civil service. The comparable percentage for the '70s are 30, 40 and 30 percent (see Tables 4.4.1 and 4.4.2). In the '80s, virtually all the trustees are from the business sector, with the exception of the Countess of Airlie and Caryl Hubbard.[104] In particular three out of eleven trustees were from the financial sector, clearly signifying the increasingly important role given to these high financiers in the operation of the gallery. It goes without saying that these *men* of free enterprise are no ordinary businessmen but hold high-level positions within the economic structure of British society. To quote one Downing Street source explaining Mrs Thatcher's public appointments policy: "She goes for the millionaire of the moment."[105]

But such statistical data do not tell the whole story, because they say nothing about the extensive ties that these trustees have with people in positions of political power in Britain, nothing about the labyrinthine nature of the corporate and social network they create among themselves, and above all, nothing about the resultant concentration of power revolving around a côterie of trustees in a democratic state (with "democratic" the critical qualifier). First, most, if not all, of them are Tory sympathizers, and some are even major financial backers of the Conservative Party through the companies they chair.[106] For example, David Verey, chairman and chief executive of the merchant bank Lazard Brothers, which, according to a report of 1994, has given £180,000 to the Conservative party since 1986, was appointed by Mrs Thatcher as a trustee of the Tate Gallery Foundation in 1989 and as a trustee of the Gallery by John Major in 1992.[107]

This is not necessarily to suggest that Verey, a financier who declares his recreations as "stalking, bridge, gardening and travel" in *Who's Who*, had been "buying" his trusteeship in secret. Whereas it is impossible to substantiate the connection, as information of this kind is either classified as confidential or *simply off the record*, it does indicate the significant link between the trustees and the Thatcher government, or the Conservative Party. It also begs the question of what role, if any, trustees of public art galleries should play; are the interests served those of public service, or is it a question either of creating personal fiefdoms or of the ruling party repaying ideological or financial debts to leading business tycoons?

Second, considerable importance has been attached in media reporting to the "entrepreneurial spirit" of these trustees. David Puttnam, Britain's best-known film producer, was not only one of the selected guests at Mrs Thatcher's Boxing Day Luncheon at Chequers in 1983, but he was also perceived to represent the kind of "adventurous high-risk enterprise man much favoured and admired by Mrs Thatcher."[108] Similarly, Dennis Stevenson was said, in his new rôle as chairman of the Tate, "to inject entrepreneurial know-how into the gallery's funding and management."[109] By promoting these "enterprise men" to formal positions within public museums and galleries, the Conservative government was not only manoeuvring to take over the running of the country's cultural institutions, but also furthering its advocacy of the "enterprise culture" in a strident and ideological way, a process which was inevitably to transform the identity of Britain's art institutions.

The extent of this metamorphosis in identity is plainly seen in the language used in the media when dealing with the trustees and the Tate Gallery. Business jargon, which would otherwise have been reserved for the business world, has over time come to infiltrate into intellectual discourse, as if a public art gallery such as the Tate could itself be considered as a corporate enterprise. When Richard Rogers was elected chairman of the Board in 1984, for example, the headline was: "Another Tate *Takeover*."[110] And, more significantly, in the numerous reports on the activities of the Gallery's chairman Dennis Stevenson, the name of the Tate is merely sandwiched in among a long list of chairmanships and directorships that he currently holds. In a revealing description, he is simply referred to as "a *director* of the Tate Gallery as well as the Pearson."[111] This shift in language that serves to equate a national institution with a multinational company speaks for itself. To justify why "*some* [*sic*?] business people" are selected as trustees, the Gallery claims: "the Tate Gallery now runs and administers shops, restaurants, and *is in itself a business* [italic added]."[112]

Thirdly, what makes these trustees powerful is not only that the majority of them are individually very wealthy, but also that they hold high positions in the corporate world. At the time of his appointment in 1988, William Govett held 23 concurrent UK and overseas directorships, including those of the Govett Atlantic Investment Trust plc., John Govett Investment Management Inc., and Berkeley Govett and Co. Ltd (Overseas).[113] Equally, trustee Gilbert de Botton (1985-92) held a similarly impressive list of UK and overseas directorships, such as J. Rothschild & Co., Global Asset Management UK Ltd., and the Banque Privée SA (Switzerland).[114]

The combination of personal wealth and positions of economic power within institutions allows them privileged access to a wide variety of boards and committees of quangos, charities, hospitals, and schools. This means that their power, which derives primarily from capital, has permeated widely into national life. For example, Mark (now Sir Mark) Weinberg, "a super-salesman of life insurance," who joined the Tate Board in 1985, was Chairman of Allied Dunbar, Britain's largest unit-linked life assurer.[115] His other public appointments included the chairmanship of the Organising Committee of the Marketing of Investments Board (1985-86) and deputy Chairman of the Securities and Investment Board (1986-90), the main political body for policing security firms and investment companies. At the same time, he was the co-founder and join chairman of the Per Cent Club, deputy chairman of Business in the Community, and honorary treasurer of the National Society for the Prevention of Cruelty to Children.[116]

But what makes the Tate Trustee Board so eminently clubbable in business world terms is the fact that certain of the trustees are intimately related to each other either by business association or by marriage. At the centre of a web of interlocking directorships among these businessmen is their association with Jacob (now Lord) Rothschild, "well known as the most ruthless member of the banking dynasty."[117] While Rothschild was chairing the National Gallery, his business allies were sitting on the board of, and running, the Tate.[118] The close knit group includes Mark Weinberg, a long time ally of Rothschild; Gilbert de Botton, who left Switzerland to work for him in London in 1981 and in 1983 set up his own investment house, Global Asset Management, which was 29 percent owned by Rothschild's company;[119] and Dennis Stevenson, who was reported to be "a protegé of Weinberg."[120] Their relationship culminated in the summer of 1991 when Rothschild and Weinberg joined forces to launch another life assurance company, J Rothschild Assurance, which Stevenson joined as a non-executive director some two months later.[121]

Nor do the business links of trustees end there. A similar connection between Dennis Stevenson, chairman of the Tate board since 1988, and David Verey and David Gordon extends the network well into the 1990s, with at its centre, this time, the media and entertainment conglomerate Pearson plc. While Stevenson has been a non-executive director of Pearson since 1986 and became Chairman in May 1996, the merchant bank Lazard Brothers, which David Verey has chaired, is 50 percent owned by Pearson, whose board Verey later joined as a non-executive director in 1995.[122] Before being appointed as a trustee in 1993, David Gordon had been working for *The Economist* since the late '60s, and gradually climbed the corporate ladder until he became the group's Chief Executive in 1981, and then Director of *The Financial Times* from 1983 to 1993.[123] Both publications are owned by Pearson plc.

But a more incestuous side to this association is revealed by the Tate Gallery's trustee couple of Gilbert de Botton and the Hon. Mrs Janet Green (now Janet de Botton), which brings the Tate closer to the American-style board than at any time hitherto. While Gilbert de Botton first joined the Tate Board in 1985, he also became a trustee of the Foundation when it was established in 1986, and subsequently became its chairman in November 1987. In the same month the Hon. Janet Green joined the Foundation Board. Both de Botton and Janet Green were also representatives on the International Council of the Tate Gallery Foundation.[124] They, of course, knew each other before they were appointed to the Foundation Board. The couple were married in 1990.[125]

While trustees' personal lives are, of course, their own affairs, their situation does raise wider question of representation and public perception. The fact that Janet de Botton is the daughter of Lord Wolfson, chairman until recently of the Great Universal Stores empire (he retired in September 1996), connects her to one of the greatest business fortunes ever accumulated in Britain, not to mention the close Wolfson connections with the Conservative Party, in particular Margaret Thatcher.[126] Through family connections, Janet de Botton is a trustee of the Wolfson Family Trust and the Wolfson Foundation, which was reported to be one of Britain's biggest private benefactors since Nuffield. This undoubtedly qualifies her as one of the most sought after figures of the '80s and, as a matter of fact, she has been deeply involved with the Tate, following an uninterrupted upward path from the Tate Gallery Foundation (1987-92) to membership of the Tate Gallery Liverpool Advisory Council (1988-92) to the highest honour of a Tate Board place since 1992.

There is also a parallel between Janet de Botton and the case of Alfred Taubman in America, which we have already discussed.[127] Like Taubman, de Botton occupies an extremely sensitive position straddling the worlds of public trusteeship and closely related private business interests in so far as she is a non-executive director of Christies at the same time as being a Tate trustee. Her appointment to the Tate dates back, as we have seen, to 1992, and it was in November of the following year that she accepted the Christies' appointment. It is difficult to see how she could have passed from the status of a public trustee to that of a commercial appointee in precisely the same sphere of activity without weighing up the charges of conflict of interest to which she could be exposing herself. Clearly the public interest and the likely public perception of her ambivalent position were not her highest priorities when she took the decision she did.

One should, of course, be wary of constructing any sort of conspiracy theory, but the fact remains that the curious emergence of powerful individuals at virtually the same moment and at the same institution is too much of a coincidence not to suggest the possibility of nepotism of some kind. Their overlapping trusteeships on the various boards of the Tate Gallery, and their prolonged tenures of office inevitably raise questions of public interest.

This picture of self-electing and self-perpetuating power is even more alarming if we take into account the broader context of museum boards in Britain. Here trusteeship is run, in essence, like musical chairs, with the same côterie of people who retire from one board only to assume the trusteeship of another. After serving at the Tate for twelve years, for example, the Countess of Airlie retired from the board in December 1994 and, as from April 1995, became a trustee for the National Galleries of Scotland, while Christopher Le Brun retired from the Tate Board in January 1995 and went on to become a trustee of the National Gallery in London. The issue at stake is, of course, not whether or not these people are competent to serve the institution in their trust, given the time they can afford to devote to such public service; it is rather that undemocratic appointments to such positions and the concentration of power in a tightly knit group are simply not an acceptable way to run *public* institutions in a modern democracy.

This also brings clearly to the surface the same range of underlying problems which arise in circumstances that we have already discussed above in relation to American boards. Trusteeship is, of course, not simply "toiling long hours for no financial reward."[128] The reward lies first and foremost in the social prestige and status that come with it, and it goes without saying that the Tate Board is probably *the* most prestigious contemporary art board on which to serve in Britain. To quote Dennis Stevenson:

> I have begun to realise that Tate is *the most powerful brand name*. It wasn't so long ago that the Tates were sugar, yet now Tate has a magical ring because millions have come to this rather extraordinary building on the water [italic added].[129]

It is no surprise in the scheme of things that these words should come from a past master in the professional art of image management and "dream[ing] up ideas for big business," such as advising Stanhope Properties to commission a Richard Serra sculpture for its Broadgate development in the City of London, or advising Dunhill "how to tap the Japanese lust for luxury goods."[130] Dennis Stevenson is more often than not described in the media as "chairman of the SRU Group and the Tate Gallery" as if his chairmanship of a non-profit- making national institution carries the same weight as his private sector money-making venture.[131]

Moreover, once the needs and the logic of private capital enter and permeate a public institution, secretiveness enters also, and turns potential conflict of interest into reality. Back in 1985 when the Tate was preparing for a Francis Bacon retrospective, it was well known that the Gallery had difficulties in finding sponsorship because sponsors did not want to be associated with "that mad flaying Baconesque vision."[132] At the very last minute, when the catalogue had already been printed and no other sponsorship material prepared, Global Asset Management, the international financial house chaired by Jacob Rothschild and run by Gilbert de Botton, came to the rescue.

The timing of the sponsorship and the appointment of de Botton as a Tate trustee are too close in time to suggest a mere intriguing coincidence. According to de Botton himself, it was "early in 1985" that, "shocked to learn" that no sponsors had come forward for the exhibition, he himself decided to sponsor the retrospective, partly because he is "a fan of Bacon."[133] De Botton was appointed as a trustee in the middle of April 1985, the exhibition was held from 22 May to 18 August 1985.[134] According to Alan Bowness, the then director of the Gallery, the trustees accepted the sponsorship of Global Asset Management Ltd. *just before* de Botton's appointment.[135] What is unusual about the appointment of de Botton is also that he (a Swiss national) was the first non-British citizen, non-Commonwealth national to be appointed to the trustee board of a British national museum or art gallery.

I have no means of assessing the accuracy of the timing and the connection between the two events, since the way in which such appointments are made is always firmly hidden from view under the veil of "discretion." But the fact remains, first and foremost, that the exhibition would have gone ahead as planned even without the intercession of de Botton, because when the sponsorship was offered, the catalogue had already been printed and other printed material capable of carrying sponsorship acknowledgement had not been planned.[136] Second, the real sequence of the events remains unclear because such appointments take many months to come to completion, as the case of Sir John Burgh illustrates. While it is not possible to prove that anything improper took place (like buying a place on the board), one feels bound to point to what could amount to an effective conflict of interest in the constitutional powers and status of the trustees of public institutions, which would, of course, be a matter of public interest.

The question of conflict of interest, in so far as de Botton as a trustee of the Gallery was also running the company that was sponsoring the show, was indeed posed to de Botton during the conference *Sponsorship of the Arts,* coincidentally held at the Tate during the exhibition. "The thought had crossed our cautious mind," he explained, "but it had been dismissed."[137] But he did not mention the fact that he is himself a collector of Bacon, and that three Bacon oils from his own collection (catalogue numbers 79, 89 and 95) were on display in the retrospective.[138] What we see here finds a parallel in our earlier discussion relative to American boards and their business-trustee-collectors; by virtue of these Bacon works having been shown at the Tate, the value of de Botton's own collection must inadvertently have increased, resulting, potentially at least, in substantial financial gain for him personally.

Undeterred by any lingering thought of conflict of interest, de Botton, acting through Global Asset Management, sponsored a second exhibition *Late Picasso* in 1988. Peculiarly enough, there was barely a voice of criticism raised. Unlike Francis Bacon, Picasso is one of the most exhibitable and sponsorable artists of the twentieth century,[139] so Global Asset Management's sponsorship was unlikely to reap the same sort of kudos as that reserved for those who promote art — to use de Botton's own terms — out of the sense of adventure, or "to stir spirits" or to support "comfortably unpopular" artists such as Bacon.[140] While three Picassos from de Botton's own collection were again on display (catalogue numbers 28, 49 and 63), his ownership was openly acknowledged in the catalogue ("Gilbert de Botton, Switzerland"), thus producing an effect of distance and disconnection.[141] Although these extremely rich individuals often have several residences across the globe, the fact is that Global Asset Management is actually registered in London, and de Botton indeed moved to London in the early 1980s, according to several accounts.[142] At the time of the Picasso exhibition, he was still sitting on the board of the Tate.

Conflict of interest is, of course, often a delicate matter, and this is why cautious individuals may prefer to avoid rather than to "dismiss" it. When advantage is immediate, charges are more easy to substantiate, but long-term gain is difficult to estimate and in such cases one has to fall back on a hypotheses. If de Botton had had a precise estimation of the worth of his Bacons and his Picassos, and if he had then sold them on the open market immediately after the two exhibitions in question, it might have been possible to quantify the extent of any insider advantage which his position as a Tate trustee had given him.

The notorious case of Charles Saatchi provides a further, and perhaps clearer, illustration of this sort of insider advantage. Despite Saatchi never having served on the Tate board, he was once on the Committee of the Patrons of New Art, a committee of which he was the driving force when it was first established in 1982, and whose membership in those days included many collectors and nearly all the London art dealers.[143] In the same year, the Tate Gallery organised the first exhibition of Julian Schnabel's work in collaboration with the Patrons; nine out of the eleven paintings in the show were owned by Charles Saatchi and his then wife Doris.

While this and other similar manipulations by Charles Saatchi in the early '80s do not readily lend themselves to investigation, his activities at around the same time at the Whitechapel Art Gallery, of which he was a trustee, provide clearer evidence of how he was able to take advantage of the various interlocking positions of power which he held. During his trusteeship, his advertising company was actually making donations of several thousands of pounds to the Whitechapel to supplement their public funding. Shortly *after* the Gallery decided to mount an exhibition of Francis Clemente's paintings (and the actual timing was explicitly confirmed by the Whitechapel's then director Nicholas Serota), Saatchi bought up twelve Clementes for his private collection.[144]

A similar instance of Saatchi apparently benefitting from inside information is provided by the case of Malcolm Morley. After learning at a trustees' meeting that the Whitechapel intended to mount a Morley exhibition, Saatchi and his wife added several Morleys to their personal collection. It was only in 1984 that Saatchi saw fit to resign his Whitechapel trusteeship. As an art collector, Saatchi was reported in 1983 to have had an annual turnover of some £3 million, which invites the speculation that his purchasing activities may well have included some selling also.[145] Although not strictly speaking an art dealer, his approach to art collecting was little different from a dealer's: he did not buy to keep but also to sell. He not only bought in bulk, but sold in bulk also. It is inevitable that a businessman of his experience was not going to sell at a loss, and it can therefore be assumed that some profits must have come his way following his initial purchases. Some at least of these were the direct result of insider information. In any event, his company is reported to have made at least £15 million profit in selling art.[146]

The case of Charles Saatchi and the issue of insider advantage have, of course, a wider context in that during the '80s his brother Maurice was, and indeed still is, on the board of the V & A. A more cautious man than he might have refrained from mixing business with such an appointment in order to avoid any charge of conflict of interest, but Saatchi and Saatchi, the company which he chaired, was also responsible for running the advertising campaign "Ace Cafe" for the V & A.

The Saatchi brothers provide an excellent illustration of the interchangeability of various forms of capital and of the resultant problems of concentrated power facilitated, if not actually encouraged, by the Conservative Government. Not only was Saatchi & Saatchi the world's biggest advertising agency in the mid '80s, but also, and closer to home, it was they who ran Margaret Thatcher's election campaigns, thus giving them a powerful base for political power. Their connections with the Thatcher Government won their company various accounts for public bodies as well as arts institutions, thus allowing them to transform their recently won political power back to serve their own economic interests. On a personal level, the powerful positions they occupied within public institutions further consolidated and extended the two brothers' power and ambition from the economic into the cultural domain. The fact that Charles, and probably also Maurice, Saatchi benefited economically from their public offices exemplifies the process of transformation of cultural capital into economic capital.

Art, the business world, and politics have entered into an obscure symbiotic relationship in which the unelected and the nominated join forces with those entrusted to manage public institutions and those elected to govern. Using their many different power bases, people like the Saatchis are in a privileged position to transform part of their economic capital into cultural capital, which they do, for example, when their personal fortunes and influence allow them access to trusteeships of art galleries and museums. This cultural capital they then transfer back into economic capital by using art as a commodity. What makes this circle a vicious one is that it functions free of public scrutiny even though it operates through public institutions. Personal fortunes are created, sustained and increased by a small number of self-selecting individuals purporting to be acting out of selfless public service motives, and endowed with the enviable gift of being able to turn Nelson's eye to any trace of conflict of interest looming on the horizon.

The existence of interlocking family relationships of the type illustrated by the Saatchi brothers and the de Bottons is one of the features that the British trustee system has come to share with its American counterpart. But whereas in the latter it is an open secret that trusteeships can be, to all intents and purposes, bought, in Britain exploitation of personal wealth takes a less blatant, some might say a more hypocritical, form when it comes to gaining admittance to the powerful inner circles of trusteeship. A glance at the acknowledgements list in the Tate Gallery exhibition catalogues reveals an implicit additional qualification for membership, namely the status of benefactor or donor which is applied to individual trustee's names.[147] Behind these philanthropic sounding terms lurks the fact that some trustees earn their place, so to speak, by virtue of their personally supplementing the income that the Gallery continues to derive from the public purse.

It is at this juncture that one may recall what Alan Bowness had to say about the nature of American trusteeships and the gap between them and their British equivalents:

> At one museum of modern art in California a sufficiently large donation guarantees a place on the board. At least we haven't reached that stage.[148]

Behind the veil of enterprise culture and the rhetoric of public interest, the Thatcher government succeeded not only closing this gap, but in taking steps to legitimise and protect the interests of the business élite. Rather than broadening representation in the public interest as befits a public institution, it acts to channel ostensibly private capital into public institutions, a political process which contributes actively to concentrating more and more power into smaller and smaller groups of people. It is in the nature of this process that it should shape the contours of an originally legitimate public debate: while the fact remains that a substantial part of these "private donations" is indirect public subsidy raised through tax mechanisms (as we have seen in the previous chapters), the Gallery can now confidently deny any public accountability in the name of protecting the "private" confidentiality of the individual donors. When asked what the levels of donation were which differentiated the status of benefactor from that of donor, the Gallery replied that it felt under no obligation to answer such enquiries from the public.

Although under the Thatcher government British trustees moved closer and closer to the American model, institutions such as the Tate have remained very much in the public domain, with the result that developments here have been more cautious. Standards in public life have, in the meantime, become an issue, and under the influence of the Nolan Committee of Enquiry, codes of best practice are being drawn up in which certain basic ground rules are set out. In the code issued in early 1996 by the Board of Trustees of the National Galleries of Scotland, for example, individual board members are reminded explicitly of their responsibilities and it is clearly stated that "they should not use information gained in the course of their public service for personal gain, nor seek to use the opportunity of public service to promote their private interests."[149] In view of the past activities of certain trustees of the Tate and the Whitechapel, for instance, this may look very much like a case of closing the stable door once the horse has bolted. "Trusting the trustees" has not in the recent past proved to be a very successful way of ensuring accountability and safeguarding the public interest,[150] so one can only look forward with hope to the new era of openness and honesty by which Lord Nolan is so optimistically attempting to replace the discredited deregulation frenzy of the Thatcher decade.

4.2 Sponsorship of Art Exhibitions

The worthy cause of the museum purifies tainted money.

— Joseph V. Noble, director emeritus of the Museum of New York[151]

Had he any reservations about taking tobacco money? He laughed. 'Ab-so-lute-ly none what-so-ever,' he said, stressing every syllable.

— Luke Rittner, interviewed by Peter Taylor.[152]

I will take money for the arts, sir, be it from murderers, rapists or anybody.

— Sir Kenneth Robinson, interviewed by Peter Taylor.[153]

Corporate sponsorship of art exhibitions seems to have been with us so long that we almost take it for granted and tolerate it as a necessary evil in order to ensure the continued wellbeing of art museums. But, as we mentioned earlier, although sponsorship has been part of the American cultural scene for some time, it is a comparatively recent phenomenon in Britain. All the same, by the end of the 1980s, whether in Britain or America, art museums had become just another public relations outpost for corporations, and this development reached its crescendo in the 1990s. The corporate takeover of what Herbert Schiller referred to as sites of public expression was certainly not achieved without resistance from both inside and outside museums,[154] and this was particularly noticeable in Britain where government at various levels had been in the habit of providing substantial support for museums and art galleries throughout the country. The opposition was, however, ineffectual when faced with the power and influence of multinationals, continually enhanced by the free-market policies of the Reagan and Thatcher administrations. The transformation of art museums in the '80s from purveyors of a particular élite culture to fun palaces for an ever-increasing number of middle-class arts consumers has thus to be seen within the dual perspective of government policies and business initiatives, with museums being the sites of these convergent forces. Although public policies on the issues in question during the Reagan and Thatcher years have already been discussed in the previous chapter, it bears repeating that the relation between public policy and business sponsorship in Britain is so intimately related that Colin

Tweedy, director of the ABSA, went so far to suggest that the sponsorship phenomenon was "one of the Thatcher cornerstones."[155]

But why are companies or corporate executives attracted to arts sponsorship business in the first place? Notwithstanding all the endeavours to foster private support for the arts under the Reagan and Thatcher regimes, corporations were doing much more than simply responding to government pressures. It is more a question of the unashamedly pro-business ambience created by both governments significantly facilitating companies in their efforts to push forward their agendas. At an ideological level, business has always perceived any government regulation as a potential threat to the free market system of capitalism, without which it would not be able to pursue its goal of limitless profit and financial domination. As the previous chapter reveals, closely following the inception of the NEA by the US federal government in 1965, the business community had to step in with an arts support system of its own, the Business Committee for the Arts, set up in 1967. Like other business associations such as the Business Roundtable in America, the BCA assumed, and has maintained, the undisputed role as the principal spokesman for business view on arts issues. They defend and champion their arts intervention through regular publications of the speeches of top corporate executives. Here is part of one of them by Winton Blount, the chief executive officer (CEO) of Blount Inc. and a former chairman of the BCA, at its annual meeting in 1984:

> ... That environment [of freedom] is being persistently eroded everywhere by ill-advised and ill-conceived regulation, taxation, and other forms of government control.
>
> So we are engaged in an important work in furthering the arts. We are not merely meeting a civic obligation which we can accept or reject as we wish. We are helping to keep open those avenues of freedom along which art and commerce both travel.[156]

But freedom of artistic expression, in which an individual asserts his or her right to advance their art at a personal level, is of an entirely different order from the freedom that businesses with vast amount of private capital have to pursue wealth and power unchecked within the whole of society. By taking on the persona of a passionate champion of liberty and by misleadingly equating creative freedom with free enterprise, Blount, far from being an advocate for the arts, is in fact defending American capitalism.

The significance of this offensive can only be fully understood against the background of an even larger corporate strategy; that is, to quote Willard C. Butcher, successor to David Rockefeller as president and chief executive of Chase Manhattan Bank, to take a "visible role in communicating the private enterprise perspective on a variety of critical public issues."[157] During the 1980s, it was not only business executives who make concerted efforts to speak out through media appearances, as Butcher had urged his fellow executives, "[to] take our message directly into American homes, to the people... We need nothing less than a major and sustained effort in the marketplace of ideas."[158] Companies also spent millions of dollars on issue advertising, not to sell products, but openly to propagate company views on contemporary political and social issues. Although it is not possible to deal here with the various issues of corporate intervention in national politics, it is essential to point out that corporate arts sponsorship is not an isolated phenomenon. By sponsoring art institutions, corporations present themselves as sharing a humanist value system with museums and galleries, thereby concealing their own corporate interests.

While "playing safe" is generally perceived to be the trademark of corporate sponsorship, contemporary art is certainly much less safe ground than that of the old masters of earlier periods which, unlike contemporary art, are unlikely to generate any political and social controversy. Why, then, does any company take on this "risky" business at all? Even within the category of contemporary art, there are certain artists whose reputation is already firmly established in the art world. It is, however, the mythological cult of artistic personality and the strong association between avant-garde art and innovation within the paradigm of modernism that has provided the business world with a valuable tool for the projection of an image of itself as a liberal and progressive corporate force. When introducing its sponsored exhibition "When Attitudes Become Form," a survey of conceptual art, John Murphy, the then executive vice-president of Philip Morris Inc., emphasised:

> We at Philip Morris feel it is appropriate that we participate in bringing these works to the attention of the public, for there is a key element in this "new art" which has its counterpart in the business world. That element is *innovation* — without which it would be impossible for progress to be made in any segment in society [italic added].[159]

By appropriating the concept of innovation, and by mediating and redefining its meaning in corporate terms, business seeks to present their intervention in the arts as a great and legitimate cause.

To venture into arts sponsorship, however, requires more than an imaginative manoeuvre. It is an initiative generally taken not by middle managers, but by the chairman or chief executive, or in the case of partnerships, the senior partners. At variance with orthodox management theory according to which senior management attention should increase or decrease in proportion to the relative scale of expenditure, top managers take a disproportionate interest in arts sponsorship, regardless of the small sums involved in relation to a company's annual budget. For example, for a large multinational in London, the arts sponsorship manager has to submit any proposal worth more than £50,000 for the Board's approval. A systematic analysis by Michael Useem and Stephen I. Kutner in 1984 of corporate contributions among companies in Massachusetts reported that the CEO of three-fifths of the firms still reviewed recommendations for specific contributions if they exceeded a minimum amount, with the minimum amount for half of these firms being a mere $500.[160]

The important role that senior managers, in particular the chairman and the CEO, play in corporate arts sponsorship is confirmed by my own survey. When it comes to initiating any programme, the single most pivotal figure is the chairman or CEO. A significant 43.5 percent of British companies and 72.7 percent of American companies reported to this effect (see Tables 4.5.1 and 4.5.2). Combining this figure with other senior managers brings the percentage of senior management involvement up to over 58.7 percent for British companies (81.8 percent for American), compared with 36.3 percent of middle managers (18.2 percent for American) such as public affairs managers.[161] Another similar response further confirms the validity of these findings. 58.6 percent of the British companies consulted consider the initiatives of the chairman and chief executive "very/fairly important" for the firm when deciding to undertake sponsorship, compared with 21.1 percent who deem them "fairly/very unimportant." The American respondents provide an even more sharply contrasted percentage, 80.0 percent (important) compared with 4.4 percent (unimportant) (see Tables 4.6.1. and 4.6.2).

Senior managers certainly do not simply initiate an arts sponsorship programme within the companies that they oversee. They look after it as well. 68.9 percent of British respondents reported that the chairman/chief executive/senior managers are involved in decision-making in one way or another (see Table 4.7.2). While 47 firms reported that top executives make arts sponsorship decisions on their own, only 31 firms leave the decision to the public relations staff, with 40.4 percent reporting a combined decision with chairman or chief executive involvement (see Table 4.7.2A). American companies reported an even sharper contrast between 52.8 percent for senior management and 28.3 percent for the public relations department (see Table 4.7.1). Within the report for joint decision making, the CEO and chairman are involved in 49.1 percent of firms, compared with their non-involvement in 5.7 percent of the firms (see Table 4.7.1A).

These figures show the indisputable role that senior corporate executives play in arts sponsorship, and indeed corporate arts intervention in general, the evidence for which we shall discuss again in Chapter 6. Such persons, an élite within an élite and occupying the uppermost echelon of corporations, are in a position of enormous power and influence. Despite the pressing demands of their job and outside directorships on their time, they also manage to serve on a bewildering list of non-profit charitable and cultural institutions. As we have seen in Chapter 1, these businessmen are the "cultural managerial capitalists" — the sort of professional managers who rise to the top of the corporate ladder mostly through a managerial career, and for whom involvement in the arts is a locus of social distinction to which their élite status and class aspirations are anchored.

The engagement of this corporate élite in the arts can thus be interpreted both on the individual and corporate levels. Despite all the media attention given to self-made entrepreneurs during the Thatcher and Reagan years, top corporate management was, and still is, dominated by an economically privileged, and thereby socially and educationally prominent, class in both countries.[162] By virtue of their social background and corporate location, they are participants in an intricate and complicated web of economical/social networks of acquaintanceship, friendship and inter-marriage, as the previous section of this chapter reveals. However, inherited wealth or a high status occupation, as Thorstein Veblen argued in the last century, does not of itself constituted a sufficient credential for membership of the dominant section of the class. It also depends upon the adoption and display of a particular set of values and life styles.[163] In other words, to be seen as a patron of the arts is part and parcel of a distinct *style of life* required and sanctioned within this "sophisticated" stratum of society. It is no surprise that the names of executives often crop up in arts sponsorship in media reporting. To put it bluntly, there is more than a grain of truth in Thomas Hoving's cynical comment: "Art is sexy! Art is money-sexy! Art is money-sexy-social-climbing-fantastic!"[164]

The issues involved are, however, complicated, insofar as they touch the sensitive nerves of personal ego and social respectability. Accordingly, it is no easy task to approach them empirically. At best, I have attempted to quantify these points in terms of personal preference, peer pressure and informal networks when it comes to deciding which organisations to sponsor. 65.3 percent of American companies (53.3 percent for British) reported that personal preference of senior management was important, compared with 16.3 percent (21.5 percent for British) who regard it as unimportant (see Tables 4.8.1 and 4.8.2). This is largely consistent with the previous questions as to the rôle of senior managers. However, while American companies considered "appeals from directors by other firms" (45.6 percent) and "support by other firms" (56.3 percent) important in their decisions, British concerns are less pronounced in this respect (16.8 percent and 14.6 percent respectively) (see Table 4.8.1. and 4.8.2). Given the relatively low American response rate, it is difficult to reach a conclusion as to whether or not this is a real difference, and if so, how it might be accounted for. The survey findings are therefore indicative; further research and refinement will be required fully to validate the results.

There is, however, at least one empirical study of the economy of corporate donation in the U.S., that of Joseph Galaskiewicz in relation to Minneapolis/St. Paul. His contention is that arts sponsorship serves not only to enhance corporate image, but also to create and sustain executives' positions within their élite circles.[165] A similar qualitative analysis was reported in Michael Useem's study of the business inner circle in Britain and America. He gave an account of an American company abruptly entering the leading league of corporate sponsors of the visual arts:

> You couldn't get [the chief executive] to look at a picture, period. Then somebody persuaded him to sponsor something at the Whitney Museum, and suddenly everybody in his company was interested. They went to a formal cocktail party and dinner at this [exhibit] they had sponsored. He got very excited about the whole scene, being invited to the Whitney and having the company sponsor it. And now, the next thing, Christ, he's calling up people including myself: "Say, would you host a little party of artists that are coming together." ... It's catapulted him as a person into an interest in the arts.[166]

Even if the conversion was precipitate, the essence of the episode is unambiguous. The chief executive in question, on a personal level, had reaped, so to speak, "the glory of the sponsorship," and did not hesitate to marshal his corporate connections to solicit funds. It is this social networking that prompted Americans to coin the term "incorporated pocketbook," an expression that eloquently testifies to the pervasiveness of the phenomenon.

A similar tendency can be discerned among the corporate sponsors of the Whitechapel Art Gallery in London, although the British might very well find the parallel distasteful. When Stuart Lipton, chairman of the Stanhope Properties and the millionaire developer of the Broadgate development in the City, was its chairman, some 30-40 percent of the Gallery's sponsors were in one way or another related to the property sector or to the construction industry.[167] When questioned, one or two of the companies even explicitly admitted that its membership was directly related to Lipton's business.

It is at this juncture of our analysis that we may confidently recall the theory of "cultural capital" as developed by the French sociologist Pierre Bourdieu.[168] By participating in arts sponsorship, these corporate élites are utilising their corporate location to advance their personal interest and social status. Slightly modifying Bourdieu's theory, one could argue, with equal persuasion, that these business élites are in fact transforming the economical capital of the corporations that they oversee into cultural capital for their own personal purposes, at the same time as acting in the corporate interest. We shall return to this topic in more detail in Chapter 6 when it will be seen that the relation between corporate élites and corporate art collections is even more pronounced. It is sufficient, for our present purposes, to point out, following Paul DiMaggio's elaboration of Bourdieu's concept, that cultural capital can in turn be transformed into the social capital of acquaintances and connections, and that this in turn can be put to use for the accumulation of economical capital.[169] It is the fluidity and flexibility of private capital that has made the confluence of its variants conceptually conceivable and in reality attainable in the very locale of these top businessmen. The interchangeability of these different forms of capital is likewise intelligible on the corporate level, something which will become evident over the course of the following discussion.

If the essence of the top executives' involvement in arts sponsorship requires further refinement, the importance of arts sponsorship functioning as a public relations tool does not. Indeed, it used to be an open secret, but now it is *openly* discussed on both sides of the Atlantic. The true nature of this marketing exercise can best be seen in the relevant tax concessions granted in both countries. While tax advantages are rarely mentioned by American arts sponsors, it had long been a prime item on the ABSA's campaign agenda for tax reforms in Britain.[170] The difference lies partly in the fact that the sums involved are minuscule in relation to any company's budget, but it is also because in America sponsorship is in any case already tax deductible, whether the sponsorship dollars (the majority of them) come from the marketing/public relations department, or from the so-called corporate philanthropic budget.[171]

In Britain, however, sponsorship and patronage are differentiated for tax purposes, even though in the perception of the general public the two terms are sometimes used interchangeably. To encourage arts sponsorship and sidestep what is seen as the cumbersome process of qualifying for tax deductions by making instead convenanted payments, both the Thatcher government and the ABSA advocated a specific definition of sponsorship; arts sponsorship is:

> a commercial undertaking, *i.e.* a payment by a business to an arts organisation for the purpose of promoting the business name, products or services. This is a commercial deal between the parties concerned, rather than a philanthropic gift.[172]

By contrast, patronage via the tax route of deeds of convenant is deemed a "philanthropic gift" or "pure" donation, however arbitrary the distinction between the two categories actually is. Accordingly, the bias in the tax structure is geared toward the self-interest of sponsors; presumably by locating sponsorship within the gamut of public relations campaigns, more corporate money would be forthcoming. This is, of course, not just a matter of shift in corporate priority. It meant, in effect, that the Thatcher government, along with organisations with substantial vested interest in sponsorship such as the ABSA, openly defined sponsorship as a form of commercial promotion, with arts organisations acting as PR agencies for corporate sponsors.[173] Ironically, only 9.7 percent of British respondents to my survey, compared to 39.6 percent of American companies, considered the tax incentives of any importance at all (see Tables 4.6.1 and 4.6.2).[174]

The primacy of public relations elements in sponsorship is also confirmed by my own questionnaire survey. Both British and American companies gave paramount importance to this aspect of sponsorship. When asked their reasons for launching arts sponsorship, 92.7 percent of British companies (78.2 percent of American companies) considered it a means of improving corporate image, and 90.6 percent (78.2 percent for American) saw it as a public relations exercise, compared with only 35.1 percent (52.5 percent for American companies) who maintained that they undertook sponsorship for employee benefits (see Tables 4.6.1 and 4.6.2). The highest percentage by far was recorded when it came to measuring their perception of the success of their sponsorship as a PR exercise. 90.5 percent of British companies (90.0 percent for American companies) were satisfied that it constituted a successful and effective public relations exercise, and 97.2 percent of British companies (88 percent for American companies) reported improved corporate image, while only 52.5 percent (75.0 percent for American companies) thought that it successfully advanced employee benifits (see Tables 4.9.1 and 4.9.2).[175]

Essential to arts sponsorship is, therefore, the concept of the publicity campaign. The need for publicity varies according to the products or service that the companies are marketing, but arts sponsorship is particularly effective for those companies, such as petroleum, tobacco and weapons industries, whose tarnished image is in urgent need of polishing. In 23 national polls comparing the public profiles of various industries since 1976 in America, for instance, the oil industry was the last in 15 of them, and ahead only of tobacco and chemicals in the others.[176] It is therefore no coincidence that petroleum companies such as Exxon and Mobil provide the largest amount of money for arts and culture in America, according to the Conference Board.[177] Likewise, in Britain, British Petroleum (BP), fully privatised in 1987, is one of the biggest arts sponsors in the country, on a par with British Telecom. The rehanging of the Tate Gallery collection, of which only 20 percent was on display at any one time, has been sponsored by BP since 1990. For an amount of some £150,000 each year, a sum which can buy only two-and-a-half minutes' commercial advertising on prime-time television in 1990, the unmistakeable BP logo is to appear all the year round on the Gallery's large banners outside advertising the New Dispalys and on the front cover of publications (fig. 4-1).[178]

This publicity machine is run even more cost-effectively in the case of the tobacco industries. Although it is not possible to discuss tobacco sport sponsorship in detail here, it is essential to understand that both forms of sponsorship are interrelated, and have to do with the fact that tobacco advertising is severely restricted by law.[179] To get round these prohibitions, the tobacco industries spend many millions on arts and sports sponsorship each year. For sports sponsorship, where cigarette advertising is completely banned on television, the TV camera sends directly into people's homes images of stadium hoardings plastered with brand names such as Marlboro, Silk Cut and John Player.[180] The exposure is massive but the costs next to nothing, compared to actually placing commercials on television.[181] The BBC, for example, is well aware of the dilemma which tobacco sponsorship presents. One of its executives was quoted as saying: "There's no doubt we're being used," but because of the wonders that tobacco sponsored sport events do for its ratings, the BBC is, in his words, "hooked."[182]

While there is some, albeit ineffective, form of regulation for sports sponsorship, there are no restrictions whatsoever for arts sponsorship. For arts sponsorship, however, tobacco companies are not buying television coverage, but a different kind of publicity associated with public presitage, status, and access to the people of influence in the country. In America, the Philip Morris Companies, including household brands such as Marlboro, Benson & Hedges and Virgin Slims, are the world's largest tobacco conglomerate. Holding 42 percent of the U.S. cigarette market in 1990, Philip Morris produced $45 billion in revenue in 1989.[183] Since the 1960s the company has also become one of the leading specialists in capitalising on arts sponsorship, in particular the visual arts. It gave an estimated $15 million to arts organisations throughout the country in 1990.[184]

In sharp contrast to its other dubious contributions, which it would prefer to protect from the public gaze, the company is proud of its arts support and from time to time produces glossy publications to champion its high-minded achievement.[185] To celebrate its 35 years of arts sponsorship, for example, Philip Morris published a 130-page catalogue listing of each and every contribution it has made since 1958, including almost every artistic discipline, running alphebetically from event to event, containing virtually every established arts institution throughout the United States and across the globe.[186] Despite all the grand talk of commitment to the arts, its real motive is abundantly clear. To quote George Weissman, its then vice-chairman:

> We are in an unpopular industry. [While] our support of the arts is not directed toward that [problem], it has given us a better image in the financial and general community than had we not done this.[187]

This carefully crafted image of a unique corporate personality has won the company eulogistic comments from the media. The well-known art critic Barbara Rose paid Philip Morris this compliment: "One can only be grateful to a corporation farsighted enough to deflect PR budgets into public service rather than pouring it down the Madison Avenue drain."[188] J. Carter Brown, director emeritus of the National Gallery of Art, also praises the company for providing a "bedrock of support to cultural organizations around the world" and for their "unwavering support" and "enlightened and far-reaching vision."[189]

The concentrated strength of Philip Morris in arts sponsorship finds no equivalent in Britain, where the lion's share of corporate money has gone to supporting music. Still, in Britain the tobacco companies remain one of the trail-blazing pioneers in this area. Although it is now defunct, it is worth mentioning that the Peter Stuyvesant Foundation, funded by Carreras Rothman, began, *inter alia*, to fund New Generation shows at the Whitechapel Gallery in the 1960s.[190] The most prominent tobacco-industry player in visual arts sponsorship in the '80s was Imperial Tobacco. In 1980 Imperial launched its annual Portrait Award at the National Portrait Gallery under its brand name, John Player, significantly at a time when the company's sales of cigarettes had dropped to 120 billion from a peak of over 137 billion in 1973. By incorporating the cigarette brand name into the award, the John Player Portrait Award achieved the brand's maximum promotion for a decade. In relation to its arts sponsorship, Peter Sanguinetti, its then external affairs executive, explicitly emphasised, in a *Sunday Times* interview, that

> We want the arts people we pick to work hard to give us publicity. We don't talk about "giving" money on sponsorship — the recipient gets the money, we get the publicity.[191]

Although it lies beyond the scope of our present study, it has to be pointed out that the magnitude of tobacco sponsorship in Britain was such that in the early '80s three of London's main orchestras were supported by tobacco largesse at one time, with the London Philharmonic being dubbed "the du Maurier Band."[192] Thus, the discrepancies lie not in different corporate strategies, but in what is vaguely described as the "national tradition." While museums in America have always been the favourite beneficiary of corporate money, British businessmen have preferred classical music and opera.[193] According to the Conference Board, nearly 20 per cent of corporate arts support in America goes to museums of all kinds every year, far ahead of the 12.0 per cent given to music (see Table 4.10).[194] In Britain, the comparable figures for music, opera and museums are 18.9 percent, 17.76 percent, and 11.96 percent respectively.[195] The figures for museums, however, are not a precise guide for sponsorship given to contemporary art since they include museums of all different kinds. Although the category of "visual arts/crafts" could be significant for understanding the whole picture, there has not, to date, been any means of calculating the levels of contemporary art sponsorship which has taken place both within art museums and outside.

To minimise this discrepancy, I differentiate art museums from museums of other types in my own survey.[196] The findings are not insignificant: art museums are far more popular among corporate sponsors than museums of other types such as history or science museums. The results of my survey are largely consistent with those obtained by other researchers. Companies prefer sponsoring symphonies, theatres and museums rather than literature, dance or film/video (see Table 4.11.1) But 82.7 percent of American companies are more likely to sponsor art museums, compared with 68.7 percent willing to sponsor museums of other types. The equivalent figures for British companies are 58.5 percent and 32.4 percent respectively (see Table 4.11.2).

The significance of these figures can only be understood in relation to other aspects of museum operations. While the attendance figures of museums of other types, be it in America or Britain, are by and large higher than those of art museums, art museum visitors rank higher in socio-economic terms than those visiting museums of other types. For example, 4,733,000 people visited the Science Museum in London in 1987, compared with 1,399,000 visitors for the Victoria and Albert Museum.[197] Statistically speaking, despite all the claims made for the democratisation of both the production and appreciation of the arts since the Second World War, art museum audiences are far more educated, of higher occupational status, and more affluent than visitors to other museums, even though arts audiences in general are already disproportionately privileged in socio-economic terms compared to the population as a whole.[198] For instance, 48.0 percent of art museum visitors had at least University education, compared with 34.4 percent of visitors of other museums, whereas only 13.9 percent of the population in the United States had similar educational qualifications in 1975 (see Table 4.12.1). A similar disproportion can be seen in occupation and income levels (see Tables 4.12.2 and

4.12.3).

In these circumstances, it is the demographic features of these art museum consumers that largely explain why art museums are particularly appealing to corporate America and Britain. This is despite the fact that companies often claim that "the general public" are their target audience, as if this public were a *homogeneous* group; in my survey the general public as a target group is ranked as high as 96.1 percent in America and 68.6 percent in Britain (see Tables 4.13.1. and 4.13.2). Questions like this, however, tend to elicit a public relations type response. Accordingly, companies often advertise their benevolent attitude in similar terms; to take one example: "Manufacturers Hanover is pleased to carry on the tradition of private sponsorship of the arts for the benefit of *the public* [italic added]."[199] Consistently negating the underlying socio-economic inequalities in arts participation, corporate rhetoric such as this serves above all to mask the capital interests of sponsors, and to create a false image of what is referred to as "corporate philanthropy."

The meaning of this public-spirited corporate face has to be understood with reference to other groups targeted by businesses. While American businesses focus on their customers (71.1 percent) and the general public (96.1 percent) — this at least is the impression they would like to give — British businesses clearly attach greater importance to opinion-formers/journalists (79.2 percent) and to senior civil servants/politicians (59.8 percent) than their American counterparts (see Tables 4.13.1. and 4.13.2). Given the relatively low American response rate, it is difficult to draw any conclusion as to what the causes of the difference might be.[200]

The results for British companies are, however, in agreement with the interviews that I conducted with people in charge of arts sponsorship in this country. They can be roughly divided into two (not entirely mutually exclusive) groups. First, for companies whose products or service can make a "right" connection with the sponsored show or the institution, the sponsored event is a sales promotion, however well disguised it may be. In this instance, it is people within the ABC1 groups that are directly targeted. Over the last ten years the imported German Beck's Bier has been, so to speak, the "*vin ordinaire*" of the official British avant-garde.[201] It made its début conventionally enough sponsoring the exhibition "German Art in the Twentieth Century" at the Royal Academy in 1985, at a time when its British distributor, Scottish and Newcastle Breweries (S & N), were about to launch a nationwide marketing offensive targeting the under-30, style-conscious generation in an already overcrowded lager market.[202]

Beck's programme soon made a splash when it sponsored the retrospective of the newly-crowned Turner Prize winners Gilbert and George at the Hayward Gallery in 1987, with the brewers producing a *limited edition* of 2,000 bottles carrying a label designed by the two artists in question (fig. 4-2). The success of this "innovative art sponsorship" is obvious: not only did it catch media attention, but the bottle itself became a collector's item, with one of them actually being admitted to the Tate Gallery's collection.[203] To date, special edition bottles include, *inter alia*, labels by Tim Head, Richard Long, George Wyllie, Bruce McLean and the 1993 Turner Prize winner, Rachel Whiteread.[204] Compared with 20,000 barrels in 1984, S & N were importing 350,000 barrels ten years later. This spectacular sales growth is underscored by an equally impressive sponsorship budget of more than £350,000 in 1994, compared with £20,000 in 1985.[205] This is, of course, nowhere near the big league of arts sponsors such as British Telecom (£1.8 million in 1994) or BP (£1.25 m in 1991), or even S & N's competitors such as Guinness. But the potential of its relationship with the arts is abundantly clear; as James Odling-Smee pointed out: "... bear in mind that Beck's is just one beer, just one brand."[206]

For companies whose products lack a direct link to exploit the sponsored event, association with the arts is more geared toward advertising their so-called "enlightened" corporate image. In this case, politicians, senior civil servants and opinion-formers/journalists figure among the most frequently mentioned target audience in my interviews. To quote from one of the top brewers in Britain:

> Our target audience is very easy and very simple, and it's probably no more than a thousand people. It would be the MPs ... broker analysts, relevant journalists ... and civil servants. Again these are all people relevant to our business.[207]

The same company is even more specific when it comes to defining its actual criteria. As far as geographical location is concerned, the spokesperson specified: "We would tend to sponsor things within a one-mile radius of the Houses of Parliament because we want to reach MPs."[208] The significance of this corporate "schmoozing" cannot be overestimated. Even if the Conservative Government is credible in its denials that access to ministers can be bought, it is certain that there are ways of negotiating this sort of access. When attempting to dismiss charges of political lobbying, the Company Secretary of one manufacturing multinational in London candidly revealed their real motive:

> It's not just the City, but you want a long-term relationship with Government ... I stress "a long-term relationship" because we certainly do not use sponsorship or any other external affairs activity to try and specifically influence such people [civil servants and politicians] because we've got some issue at the time, which it would be helpful if we changed their views about ... If you can invite to events the senior politicians, not necessarily just the ones in Government but the ones in Opposition as well, because you know, in so many years' time they might change, so you can meet them socially, so they get to know you a bit more than just a name or a face in a formal situation. Yes, it just means [that] if some issue does come up, they won't dismiss something out of hand ...[209]

One is left to wonder: when is political lobbying not political lobbying? This is, in effect, political massaging via the back door, even if it is done in an indirect, informal and sophisticated way. Similarly, the public affairs manager for an unnamed brewery pointed out that they already knew their target audience so well that they sponsored not only art exhibitions, but also concerts and theatres in order to appeal to the specific interests of particular individuals.

After all, arts sponsorship, with its attraction of tax relief and with the British Government's handout of public money to endorse it, is more than mere advertising for an "enlightened" corporate image. As we have discussed in Chapter 2, ultimately, the significance of this corporate intervention has to be understood in political terms. By virtue of their being within the public sector or, in the case of American museums, in the domain of public prestige and authority, art museums have such a privileged position that association with them is a conspicuous signal of social prestige and power. This is further reinforced by the claim, widely made in the name of "art for art's sake" in bourgeois culture, that art, by its very nature, is above the sordid world of politics and commerce; in the words of a senior officer in one prominent museum in New York: "We are non-political."[210] Precisely because the ambience of art museums ostensibly absolves them from participating ideologically in the political process, they paradoxically provide the most discreet of venues where top politicians or government officials are invited to rub shoulders with equally prominent business leaders.

What we lack, however, is a precise mechanism to map out the *informal* transactions that take place among these people, and to investigate the ways in which the power of corporate capital is transferred into political action. To some, this is an "unquantified field."[211] As the previously quoted company secretary put it: "I'm sure it works as long as you do it over a long period of time; for the sort of audience we are talking about, it gets to be a long, slow, quiet process."[212] For others, on the other hand, the success of sponsorship can be measured in hard statistical terms. Quantification has been particularly popular among corporate sponsors since the late '80s, at least in Britain, where many companies have utilised market research methods to assess the effectiveness of their sponsorship. For instance, BP carried out a series of surveys on their sponsorship in the early '90s, where the awareness of opinion-formers (referred to as "people in pretty senior positions," not just the "broad-brush 'ABC1'") was monitored.[213] What this shows is that, unlike sponsors in the earlier decades who were occasionally thought of as "cash cows," '80s style sponsorship is definitely an aggressive marketing tool, in which value for money is clearly judged on the returns to corporate capital.

To gauge the influence that corporate capital has on the practice of contemporary art, we must now turn to examine specifically art museums. This is not to say that contemporary art exists only inside art museums and galleries, but rather that their institutional structure provides the most visible site for any attempt at corporate influence or takeover. First of all, art museums in the late twentieth century seem increasingly to have taken the place of churches, insofar as they have become, to all intents and purposes, secular shrines. They are one of the most visible "public" institutions in America, and, to a lesser extent in Britain, a mainstay of civic pride for each city. The very people who serve on their boards of trustees or donate their art works are invariably those people of power and influence with whom corporations are eager to communicate.

Furthermore, as we have alread seen, affluent museum visitors definitely constitute a niche market of substantial purchasing power for business to capture. As one of the visual arts sponsors pointed out, sponsoring art exhibitions with carefully vetted invitation lists is more practical than sponsoring, say, the performing arts; exhibitions, with their attendant Champagne and canapés, provide an unrivalled context for sponsors to entertain their clients and to communicate with them. This is especially so in Britain, where corporate hospitality has been reported to be very important in both my surveys and in the interviews I have conducted. In addition, it has been standard practice since the late '80s for the benevolence of the sponsor to be permanently documented in the chairman's statement in exhibition catalogues, and widely distributed thereafter.

Nowhere is the transformed role that art museums came to play in the 1980s more clearly visible than in the immense popularity of "blockbuster" exhibitions. According to Victoria Alexander, who studied the impact of public and corporate funding on art museums in America, the most significant effect of the shift in funding from public to corporate is the new emphasis being placed on "blockbuster shows."[214] Ironically captured in the metaphor of the "blockbuster,"[215] this kind of exhibition, designed to attract the largest number of people possible to the museum, has become a kind of yardstick whereby to judge the success, or otherwise, of the museum. As J Carter Brown, director emeritus of the National Gallery of Art in Washington D.C. put it: "because it got into the corporate mentality that there's no point in spending money on a show unless you can guarantee that it's going to be another Tut."[216]

The popularity of blockbuster exhibitions, however, signified a more profound change in museum operations brought about by corporate capital in the 1980s, namely its over-expansion. The extent to which this also had its origins in a conscious policy on the part of the institution within the museum is a complicated question that lies beyond the scope of this study. But, as we have discussed in Chapter 2, the most important link between the world of art and that of commerce is the art bureaucrat who occupies the most senior position in the museum. Museum expansion policy is thus closely bound up with the ambition of the director. In this respect, the directorship of Thomas Hoving at the Metropolitan Museum from 1966 to 1977 gives a foretaste of the ethos that would come to dominate the art world of the '80s. With a "big business background" as well as a training in medieval art,[217] Hoving deliberately ventured into costly undertakings -- new wings, blockbuster exhibitions and expensive acquisitions, thus forcing the museum into a desperate search for new sources of income. Hoving's regime at the Met successfully transformed the traditional operation of the art museum as a warehouse of art artifacts into that of an entrepreneurial undertaking by marketing the Met as a magnificent mansion providing a never-ending feast of blockbuster shows. In short, as the conservative critic Hilton Kramer put it, Hoving made "the Museum bigger in almost every respect," on a scale that can only be described as "imperial."[218] Arguably the most influential museum in the United States, the Met consequently left a far-reaching and lasting imprint on art museums elsewhere.

The Hoving equivalent of showmanship in the 1980s would be Tom Armstrong of the Whitney Museum of American Art. When he became the museum director in 1974, Armstrong claimed that the Whitney could no longer afford to mount major exhibitions without corporate or government funding, despite the fact that, until Marcia Tucker was dismissed in 1976, none of her exhibitions actually had outside funding.[219] The 17-year directorship of Armstrong at the Whitney hence witnessed, *inter alia*, a succession of blockbuster exhibitions, of which the earliest was the Jasper Johns in 1977.[220] Within one decade, attendance figures at the museum more than doubled from 231,654 in 1974-75 to 532,333 in 1983-84.

It was the same Armstrong who, with breathtaking audacity, was responsible for opening four Whitney branches at the headquarters of multinationals in the '80s, with the result that the Museum was dubbed "the McDonald's of the museum world" (a subject to which we shall return in the next chapter). This brand of maverick commercialism became even more obvious with the appointment of Margery Rubin Cohen as the museum's public relations officer in 1988, with her "extensive background in marketing and publicity for the fashion and cosmetics industries," including being the marketing director of the exclusive department store Bloomingdales's.[221] The cult of limitless expansion with escalating costs forced the Whitney, and American art museums in general, to rely more and more on corporate money, and on commercial marketing and promotion skills to generate income and draw under their roofs the ever-increasing crowds which are presumed to befit grand art institutions.[222]

In Thatcherite Britain there emerged a new breed of museum director, what Antony Thorncroft referred to as "scholarly business managers."[223] They include Neil Cossons at the Science Museum with a background of running a commercial museum (Ironbridge), Elizabeth Esteve-Coll at the Victoria and Albert Museum, who was seen as a particularly efficient administrator, and, specially important for our purposes, Nick Serota at the Tate Gallery. They are, like their American counterparts, entrepreneurial, if somewhat less ruthless. This is not to say that they are necessarily Thatcherite in a political sense, but they are nonetheless ready to market the institution in their care aggressively and efficiently. Belated as it was, the change at the Tate Gallery, with Serota replacing Sir Alan Bowness in 1988, was clearly a sign of the times. It was perhaps no surprise that the tenure of Bowness at the Tate should have been cut short.[224] Although he played his part in courting sponsors, Bowness openly declared that "to think the American system is the panacea" was "sheer nonsense." "My colleagues in the United States often envied me — even in these straitened times," says Bowness. "*I believe in state funding.* I don't think it's possible — I don't think it's desirable, for the arts to be left to the private sector [italic added]."[225] This is hardly something that Number Ten would be prepared to countenance.

While Bowness's Tate, which Lord Gowrie once described as "a bit of a maiden aunt," was not being seen as "a hit," Serota's task at the Tate was to make it "the biggest art fun-palace in Europe."[226] Prior to becoming director of the Tate, Serota was director of the Whitechapel Art Gallery from 1976 to 1988. Young and enthusiastic, Serota is known as an adventurous exhibition-organiser. For example, the "New Spirit In Painting" extravaganza which he co-organised at the Royal Academy was acclaimed as "the seminal art show of the Eighties."[227] But equally impressive was his skill in establishing a portfolio of corporate sponsors when he was director at Whitechapel. Serota was quoted as complaining in 1980 that "the amount of my time spent on fund-raising certainly affects the quality of our exhibitions, because I can spend far less time on the actual show, on ideas, on artists. *One works very hard for peanuts* ... [italic added]," but by the time he left Whitechapel, he had already acquired substantial corporate money from a list of over 80 companies.[228] In particular his track record of fund-raising and political manoeuvring was brilliantly demonstrated in his negotiating of the Whitechapel's £2.2 million renovation in 1985, with one of the senior managers whom I interviewed remembering him fondly as "quiet and patient."

Although Serota's Tate in the 1990s does not, strictly speaking, fall into the time frame of this study, it is revealing in this context precisely because it elucidates how far corporate capital, along with its particular brand of commercialism, have affected British art galleries. Interviewed just after he arrived at the Tate, Serota indicated his fear that the *primary* museum activities of scholarship, conservation, and education, as well as "academic shows," might be "squeezed out" in circumstances of cash crisis.[229] Occasional blockbusters, on the other hand, are regarded as essential insofar as they generate high income.

The new vision of the Tate thus produced a series of big art shows, each bigger than the previous one: *John Constable* in 1991 (169,412 visitors), *Piccaso: Sculptor/Painter* in 1994 (313,659 visitors) and the recent *Cézanne* extravaganza (408,688 visitors).[230] Not only was the ticket to the Cézanne's exhibition the "hottest" in town, with its ticket agency taking some 5,250 bookings a day (at a cost of £8.60);[231] but the Tate also mounted an extensive merchandising campaign, with its shop stocking everything from vases, tea towels, CD ROMs to £45 Cézanne scarves, not forgetting the 'Cézannewich' offered at the London branches of Prêt à Manger and a specially bottled 'Cuvée Cézanne at the Tate' wine.[232] Back in 1989, it was Serota also who was quoted as saying: "I don't want the Tate to be a *shopping mall*. But if people want to buy something, they should be able to [italic added]."[233]

Nowhere is the "expansionist" ambition of the Gallery more clearly shown than in the grand scheme of the Tate Gallery of Modern Art, scheduled to open in the year 2000 at the disused Bankside Power Station south of the Thames River. To realise the estimated £106 million plan, the Tate launched a mammoth fund-raising campaign with a target of £56 million to match the £50 million already awarded by the Millennium Commission.[234] According to Antony Thorncroft, the *Financial Times*'s correspondent, for around £10m, benefactors of the new Tate can buy "immortality" by having galleries named after them.[235]

In this ambitious enterprise, Serota was backed by an equally impressive team of professional fund raisers. While there was no Development Office at the Tate in the 1980s, soon after Serota took over the directorship, one was established with six staff in 1990, "development" being the vague but impressive sounding term for such transatlantic notions as fundraising and networking. The Office is so well organised as to be able to cover virtually every conceivable aspect of private sector funding, such as the Charitable Giving Programme, the Corporate Sponsorship Programme, the Events Section and the Friends of the Tate Gallery.[236] By 1991 a specific post for Corporate Sponsorship Manager was in place, concomitant with the launching of a Corporate Membership Programme. To date, with the planned new Tate in process, the Development Office has an army of some 26 staff members, far outnumbering those at the incomparably larger Metropolitan Museum and closer perhaps to the Museum of Modern Art in New York.[237]

For our specific purposes, the Corporate Membership Programme offers a glimpse of the quintessential Thatcherite mentality. Imitating similar American schemes before it, the Programme offers its corporate members conventional benefits such as private views or tours for employees and the hire of the gallery space for corporate entertainment.[238] While American museums generally have a broad-church approach to their corporate membership (and much lower subscription fees), the Tate plays the *exclusivity* card by raising its subscription to £10,000 per year for Associate Members and £25,000 for Partner status, and, above all, by limiting its memberships to under 50.[239] The reason why the Gallery is able effectively to market itself is because it is at the top of the pecking order of contemporary *public* art galleries in Britain, and as such functions as a branch of the state, enjoying an artistic aura of authority and acceptability in the public consciousness. This is why Antony Thorncroft remarked: "Companies feel safe at the Tate."[240]

The meaning of this exclusive membership restriction (and the Tate is probably the only gallery in the Western world to have it) may not be immediately clear, not least because it is ultimately in contradiction with its professed claim to raise as much money as it can. Certainly, its intention is not to price the Galllery completely out of market, but rather to price itself into a specific niche market. As the Tate spokesperson put it, the membership "allows them [corporate members] to 'belong' to an *exclusive 'club'* which primarily gives them the *exclusive opportunity* to entertain in the Gallery [italic added]."[241] Restricted access is thus designed to ensure that the Gallery can "deliver real and exclusive benefits." As Cross puts it: "there are only so many entertaining opportunities available in the year!"[242]

The operative word is "exclusive." But exclusive from whom, and for whom? Although "employee benefits" is one of the categories listed among the benefits of membership, most of the exclusive access and services are reserved for a very small number of people, with some benefits being *exclusively* earmarked for the Chairman and the Chief Executive and a guest of their choice, such as attending the annual Tate Gallery Foundation Reception, the Annual Partners Dinner, and the most sought-after event of the contemporary art calendar, the Turner Prize Dinner, to name but a few. Restricted corporate membership is thus intended to make the Tate another powerful high-society club — *The Club* par excellence of the British art world.[243] This is inevitably so because the people who hold the key to the corporate coffers are the most prominent businessmen.

In exchange for corporate money, art museums in America and Britain have, therefore, become high-class venues for corporate sponsors to host dinner parties, and in America sometimes even extravagant wedding parties for the offsprings of wealthy businessmen to entertain their highly select guests. For example, one of the benefits of striking a deal of a quarter of a million pounds with the Tate Gallery, as the sponsorship manager of a

High Street British Bank remarked, is to have "a *real top class* corporate entertainment opportunity where you can have hundreds of people on an evening [italic added]."[244] The guests of honour at a private dinner party are, of course, the ruling élite in society, according to the same source, including the chairmen of the top 200 companies, major investment clients of the bank, Government ministers and Members of Parliament. More specifically, in exchange for £500,000 from the accountants, Ernst & Young, for the Cézanne blockbuster, the Tate hosted more than *forty* evening receptions for the purposes of entertaining its clients and potential clients, which, along with other sponsorship promotions, reportedly cost the accountants another £500,000.[245]

Likewise, Frank Saunders, the vice president of Philip Morris, admitted, in a conference on business and the arts, that one of the benefits of sponsoring exhibitions was that "[i]f we have an opening in Washington, for example, we go to the White House, we will have the leaders of Congress to a black-tie opening."[246] It is ironical to recall the words of Thomas M. Messer, the former director of Solomon R. Guggenheim Museum in New York, in 1980: "We would *never rent out* the museum [italic added]."[247]

Like the public art agencies discussed in the previous chapter, the "PR-ization of art museums" by corporate capital is clearly articulated in the language they now speak.[248] The Metropolitan Museum in its brochure to lure corporate sponsorship tells it all: "Many public relations opportunities are available through the sponsorship of programs, special exhibitions and services. These can often provide a creative and cost effective answer to a specific marketing objective, particularly where international, governmental or consumer relations may be a fundamental concern."[249] The Tate markets itself in a similar indirect and low-key fashion:

> The Tate Gallery's central location, on the Thames *close to Westminster*, makes it especially attractive to businesses located in London, or seeking a central London venue in which to entertain ... The Tate Gallery's fine building offer a range of unique settings in which to entertain clients, shareholders and other business guests. These facilities are available *exclusively* to corporate members and current sponsors; the Tate Gallery does not hire its buildings to *other commercial* organisations [italic added].[250]

The meaning of the subtle appeal of "close to Westminster" lies, as mentioned earlier, in the importance that corporate sponsors attach to the specific geographical location (that is, within the easy reach for MPs). In other words, like other restaurants equipped with division bells which MPs and politicians patronise around Westminster, the Tate urges its potential sponsor to take advantages of this locational advantage.[251] In a recent publication, the Tate even boasts that it has "a reputation for developing imaginative fund-raising initiatives," and that it works "closely with sponsors to *ensure that their business interests are well served* [italic added]."[252]

The mercenary mentality, of course, is not only compartmentalised within the Development Office; it moves by osmosis into other aspects of the museum operations. For instance, at a conference on its purchase policy, ironically captured in the title "*New Directions* for a National Collection [italic added]," Jeremy Lewison, deputy keeper of Modern Collection at the Gallery, not only referred to art dealers as "allies" ("We collaborate with the dealers"), but also remarked: "You can look for packages — buy two works and receive one as a gift, for example." It is difficult not to see this as a variation on the theme of the well-tried supermarket gimmick "Buy any two and get the third free."[253] To the extent that identity is based in the structure of language, the mercenary transformation of the Tate, and art museums in general, cannot be more spectacularly expressed. How, then, is the Tate to prove that it is still a public gallery, belonging to the *whole nation*, and not simply an agent for big business bent on advancing its capital interests?

But, flooding the grand halls of art museums with PR budgets does not bring about any chemical change in the nature of public relations functions. The struggle over the media credit of sponsorship, especially in Britain, amply proves the point, with those on the sponsors' side coming perilously close to blackmail. Because public relations is the primary goal for sponsors, to have their names credited in the press is of paramount importance. However, the media, the BBC and the so-called "quality papers" in particular, which have long seen themselves as the custodians of "good taste" in British culture, have resisted naming sponsors in editorial columns; to do so is to give business sponsors, so to speak, *free advertising*, and to run the risk of making newspapers "advertising broadsheets."[254]

It is no surprise that the ABSA has fought a consistent battle on this issue over the last 15 years, and, from time to time proudly announces "success at last."[255] More surprisingly, both arts ministers and the Arts Council join forces to "cook up" ways and means for sponsors. In the early '80s, through the personal intervention of Norman St John-Stevas, the then arts minister, the BBC made the concession of announcing the sponsors' names on broadcasts of concerts and operas.[256] According to Waldemar Janusczak, *the Guardian*'s arts correspondent, the Arts Council was becoming "increasingly aggressive in demanding the complicity of critics," by distributing special notices informing them, at the Renoir exhibition held at the Hayward Gallery in 1985, that "they were expected to *thank* the sponsors in their copy [italic added]."[257] No one could miss the irony that in the early '80s, the Arts Council had been complaining seriously about the arts bodies it subsidised, maintaining that companies obtained unjustified publicity, whereas it was, and still is, the primary supporter of the arts in Britain.[258] The shift, of course, was due to the fact that, whatever reservations one may have about his Council tenure, Roy Shaw was in charge of the Arts Council in the early '80s, whereas since 1983 the Council was in the hands of Luke Rittner, the sponsorship-broker-turned-Secretary-General.

Taking offense at the "lack of co-operation" by some arts journalists, the sponsors threatened to withdraw their support. "If those writers in newspapers purporting to support the arts cannot come to terms with nourishing new arts sponsorship through valid editorial references," says Brian Angel, one of the sponsors' supporters, "they should not be surprised if such sponsors go back to the football terraces, and Britain's arts projects become even more penurious."[259]

Penurious or not, arts organisations, be it in America or Britain, have adopted the same tactic of promoting the causes of their sponsors and monitoring the "mileage" obtained in the press. One of the development officers in a prominent New York museum revealed that there was resistance from journalists, but that they "lobb[ied] hard for it," which, in effect, means "We call them all the time. All our press officers will talk to the journalists and say please remember that such and such companies sponsor the exhibition."[260] A similar view was expressed by a development officer in a London art gallery:

> We monitor it [press coverage]. We send sponsors every bit of the press ... We work very hard; I spend a lot of time on telephone to critics and art editors that I know are covering the show. On the whole, as long as I get through to them, they do it; sometimes it's a bit of an argument we have on the telephone, each time ... And until recently the newspapers took the line that, you know, if BP wants to have their names on our newspapers, they can buy an advert. We have to persuade the journalists and editors,... if the newspapers don't help us to provide the kind of benefit which is available potentially to the sponsors, then they are not helping us in gaining sponsorship, and they are not helping to ensure that art activities continue in the way they can.[261]

The development officer commented on one or two journalists who said "absolutely no" to her: "they're just stubborn about it, because that doesn't do them any harm to put the name of the sponsor at the end of the review at all." If some journalists or art critics tried to take a firm stand against corporate power, after the decades of concerted joint action by business sponsors, arts administrators and governments dedicated to market principles, such opposition is being voiced less and less.

What has made corporate power so menacing, however, is the fact that, even if they cannot succeed in the battleground of print media, they certainly can *buy* their way through one means or another. Built-in to sponsorship money to art museums is, therefore, an equally large promotional budget to publicise art exhibitions, a development which is even more pronounced in the '90s Britain. For an annual arts budget of £1.8 million in 1995, for example, the BT spent another £800,000 in back-up costs, or as mentioned earlier, Ernst & Young spent an equal amount of £500,000 on its sponsorship and promotion/entertainment of the *Cézanne* exhibition at the Tate.[262] By offering the "impoverished" art museum a gift of publicity which it otherwise cannot afford, sponsors utilise the opportunity to trumpet their generosity and high-minded "corporate citizenship." As a result, they maintain control over both the promotional dollars and eventual outcome because, as the United Technologies Corporation, the arms manufacturer, declared: they wanted "to be guaranteed that the final products have a unified look and meet their standard of quality."[263]

But more menacing still is the metamorphosis in identity that arts organisations have undergone, partly as their sponsors' imperative, *inter alia*, to gain access to the editorial pages of "quality" papers has intensified. By incorporating the sponsor's name into the title of the event or organisation it sponsors, thereby making them inseparable, the sponsors are certain that maximum publicity will be given to them. In the '80s, this kind of "title sponsorship," even though popular, was largely confined to events such as BT New Contemporaries or Barclays Young Artist Awards. In the '90s the aggressive corporation tentacles have further extended into the very heart of the institutions themselves. With its huge £1.8 million arts budget (not forgetting, however, that this equals a mere 5 hours of BT profits, at a rate of £100 a second), BT now demands its name be incorporated into any sponsorship deal. So now we do not have a "Scottish Ensemble," but a "BT Scottish Ensemble." Rodger Broad, the company's head of sponsorship and advertising, was reported as saying that arts organisations have never objected to this contractual obligation.[264]

In the field of visual arts, the most notorious title sponsorship deal has been that between the Institute of Contemporary Art (ICA) and Toshiba Information Systems since April 1994. Although it is not exactly called "Toshiba ICA," but more discreetly, "ICA/Toshiba," with the added phrase "sponsored by," the new sponsorship logo was so designed that the Toshiba presence is conspicuous and unmistakable (fig. 4-3). Toshiba paid some £300,000 for the status of "Primary Sponsor" for three years, with another £75,000 cash handout from the Conservative Government through its Pairing Scheme (the National Heritage Arts Sponsorship Scheme) to pay for publicizing and marketing the sponsorship, as well as contributing to the "Innovation Commission," which itself is designed to raise the profile of the sponsor.[265]

But what made the deal a "new departure," so to speak, for sponsorship is more than the ubiquitous appearance of the sponsor's logo, which itself amounted to upwards of *one million* Toshiba logos in the first year.[266] Not only do the ICA bulletins and catalogues now carry an editorial statement from the sponsor, sometimes called "Toshiba Mission

Statement," at other times stressing its slogan, "Toshiba — In Touch with Tomorrow," but the premises of the ICA itself have been turned into a commercial showroom for the company. A purpose-built showcase of Toshiba products, entitled "Toshiba Centre of Excellence," had been prominently on display in the entrance hall of the ICA since the start of the sponsorship, and the company's TVs and videos are extensively used in its exhibitions.[267] All the many changes, according to its director, Mik Flood, were due ultimately to the shortage of money. "[Lack of funds] can make you become a tick-over organisation with programming that's dull and bland," say Flood, "because you have nothing to finance your *ambitions* with [italic added]."[268]

With this perspective in mind, it is only fitting that Flood should applaud the largesse of Toshiba's money, writing in the biannual report: "... we are particularly grateful for Toshiba's involvement in the ICA."[269] The dilemma is: how can the ICA reconcile the bold position of proclaiming its mission to "stimulate, educate and astonish," and "challenge orthodoxy in the arts," on the one hand, while in reality pandering, on the other, to a corporate giant which wields enormous power and influence both in the British Isles and globally?

In fact, given the permanent presence that Toshiba already occupies at the Victoria and Albert Museum, "immortalised" in the Toshiba Gallery of Japanese Art,[270] Toshiba is the very embodiment of cultural domination exercised by the financial entities which are the multinationals. In other words, their ambitions are so great that the way in which they dispense their cash can only be described in commercial terms, that is with the buzzwords of the '80s, raids and takeovers, with the aim of capturing one institution after another.

What, then, does Flood mean precisely when he so proudly announces that the ICA "continually challenges its own assumptions?" That image is, perhaps, always something of an illusion, or at most, simply not concrete enough, when the Institute cannot even critically question its very own practice of serving corporate interests, and assess what impact that association might have. Like the Tate Gallery, the ICA is set to expand its premises for the next millennium (moving into a new purpose-built building) and is determined to acquire yet more corporate money.[271]

Over and above the large sums of corporate money invested, it is difficult to quantify the extent of the actual involvement in policy that sponsorship brings with it. This is partly because questions of this kind require qualitative judgements rather than quantitative ones, and partly because most of the "wheeling and dealing" goes on behind closed doors. In my survey, however, 30.7 percent of the British respondents (33.3 percent for American) admitted that they had been actively involved in the programmes of the art institutions they sponsored (see Tables 4.14.1 and 4.14.2). Among the 13 American respondents who specified the kind of involvement they had, five mentioned serving on the boards of trustees of the arts organisations (a topic already discussed in the previous section of this chapter), with one answering somewhat evasively that: "We do work with selected museums."

32 British companies out of 40 which were involved in the arts organisations they sponsored specified their involvement: ranging from the general ("All our sponsorships are mutually beneficial partnerships") to the more specific, such as "consulted on aspects of programming and publicity" or "corporate entertaining, advertising in publicity."[272] However, one foreign company wrote: "Extensive involvement in *all* aspects of X exhibition, National Gallery and UK tour of X Philharmonic Orchestra" while another British utility remarked: "Yes, ... we commissioned a dance: Act 1 *Water*, Act 2 *Electricity* to be performed by primary school kids for local community."

Given the earlier discussion and the survey results, it is very difficult to imagine what point Richard Luce, the longest-serving Arts Minister under Mrs Thatcher, might have been attempting to make when he maintained that there was "no artistic interference" from sponsors. To quote Luce: "Lord Goodman, who is president of the Association of Business Sponsorship Awards [*sic*], has been involved in the arts for 17 years and has never once come across a firm wishing to take over the *artistic side* of a venture [italic added]."[273] This and other similar contentions are, however, predicated on the assumption that there is in fact a clear distinction to be made between the so called "artistic side" and "anything else," such as its financial sources or ideological profile.

Assertions like this are simply unsustainable, not least because of the way in which contemporary art has developed to the point where its very identity and reception depend, to a large extent, on art works being framed within a specific context. For example, *House*, Rachel Whiteread's notorious creation which won her the £20,000 Turner Prize in 1993, and, paradoxically, £40,000 from the K Foundation for the worst body of art produced in the previous year, was "brewed" by Artangel, and paid for by Beck's beer. The *House*, situated in a derelict part of East London, involved casting the interiors of an entire terraced house, with the positive side facing out and the doors and windows cast shut (figs. 4-4 and 4-5). The *House* might have been original, and even radical in its approach to sculptural space and in the way in which it exploited the paradox of our notion of the house, but its sister product, the *House* label on Beck's beer bottles, also designed by Whiteread, is not (fig. 4-6). On the contrary, the *House* label is what Frederic Jameson referred to as "pastiche," a "blank parody ... that has lost its sense of humour," casting ridicule on the "normal" *House*.[274] The irony is that the *House* is the house you cannot walk into, and Beck's is "the beer you buy not to drink, ... when *the label is more valuable than the contents* [italic added]."[275]

When it comes to the ethical aspect of art museums, and to the question of how, through its mediation, power in its various forms is transferred and transformed in a capitalist democracy, the problem with sponsorship money becomes even more acute. Art museums, along with other arts organisations, have been struggling over the years with the ethical implication of accepting money from tobacco industries, and in Britain the blacklist also includes the armaments industry and certain political regimes, such as South Africa under apartheid. The issue remained, however, latent and academic until *The New York Times* ran a front-page story on 5 October 1994 entitled, "Philip Morris Calls In I.O.U.'s in the Arts," at a time when the New York City Council was considering a severe bill that would ban smoking in virtually all public places in the city.[276] Fighting back, the world's largest tobacco company blackmailed the City, threatening to move its headquarters elsewhere if the bill passed, taking with them some 2,000 employees, and, in our specific context, presumably all its arts support. "If the level of such corporate support, for whatever reason, were to decline," the statement of the company declared intimidatingly on 28 September, "the quality and quantity of the dance, theater, music and art exhibitions offered here might be diminished."[277]

In its desperation, Philip Morris further solicited lobbying efforts from arts organisations that they had, until then, helped to fund, to "put a good word with Peter F. Vallone, the City Council Speaker," the main sponsor of the bill. According to Jeffrey Hogrefe, Stephanie French, the vice president in charge of the company's cultural programme, personally visited Vallone to appeal to have the bill stopped, apparently spelling out its implications for Philip Morris' funding of the arts.[278] Despite all the multi-million dollar advertising campaign from the tobacco industry, the City Council and Mayor Rudolph Giuliani managed finally to turn the bill into a law which came into effect on 1st January 1995.[279]

So powerful is Philip Morris in the arts world that none of the museum people whom I interviewed in May 1995 would dare to speak out about it. Some of them simply denied the obvious, stating what is evidently not the case ("No, we wouldn't do that. No."), with others simply being evasive ("No, I don't know."). By dispensing tobacco money as widely as Philip Morris had been doing, the tobacco companies were buying, metaphorically speaking, the critical "silence" of arts bureaucrats and their institutions. Ironically, it is the interviewee from Philip Morris who admitted that there was some "conversation" between the company and the major art museums in New York. Their version of the story was, however, different from that reported in the media: it was Karen Hopkins from the Brooklyn Academy of Music, "crazy, wonderful fundraiser, but wacky," who first came up with the idea of calling up the City Council and suggested it to the company:

> Yes, Stephanie [French] went to, maybe, the Guggenheim, the Met, four or five of *our friends, our friends*, called them and said: "This is what's happening. If you want to call the City Council and we are important to you, do it." That's it, you know, very low key, with four or five major institutions we are on the board of, or have funded it for many years. And it was all really in reaction to what was initiated by arts organisations themselves. And you know, that was it ... But *there's never no pressure* [*sic*]... I don't think it's pressure tactics. I think it's a fair way to say: this is what's happening. If you want to say something, you can ...[280]

This is the moment, I would argue, at which the "cultural capital" accumulated by the corporation is transformed, in its most naked sense, into political power, and at which it is, in turn, to be further transformed into economic capital, to advance the corporate interests. The fact that Philip Morris did not entirely succeed in this particular instance does not discredit my larger hypothesis. Nor is the power of Philip Morris in the arts world so easily circumscribed. Although cigarette smoking as such is prohibited in museums, the Metropolitan Museum permitted the company to hand out cigarettes at the opening night of *Origins of Impressionism*, to which Philip Morris donated $1 million. Even after the new law took effect in 1995, a sign at the reception of the company's headquarters announced, symbolising its ultimate power, "Smokers and Non-Smokers are Welcome." Indeed, for the size of the company and the power it wields, the building is exempt from the law; the spokesperson stressed that "we never do anything illegal," but just "*we are exempt from the law* [italic added]."

Although art museums are hardly places where radical politics are played out, they have always portrayed themselves, at least in the bourgeois culture of late capitalism, as the custodians of humanistic values, and have advocated a spiritual enrichment role for the art works housed under their roof. But, by accepting tobacco money, by not speaking out against the dangers of smoking, and, on the contrary, by lobbying for the tobacco cause, the museums are selling out their mission, which they always paradoxically proclaim as "life enhancing." So the triumph of corporate power over American art museums, from the largest to the smallest, is as nearly complete as one can contemplate. The unmistakable signal is that even the nation's largest museum in New York cannot afford to indulge in ethical judgements of any kind when it comes to issues of money. As one of its senior officer apologetically remarked:

> When you are a charitable institution, you can't say, certainly you could, but we are not lucky enough to have the money to say, "No, we can't take your money because of what you do." We don't do that; we don't do that with anyone.

By comparison, in Britain that public art museums and galleries still maintain, to some extent, a sense of public accountability for the public funds they receive every year. For instance, the Tate Gallery does have a formal policy regarding sponsorship, according to the gallery:

> It does not accept sponsorship from tobacco companies or companies dealing in armaments. Sponsorship from drinks companies is not accepted for youth projects. In the past, the gallery did not allow association with companies involved with South Africa, but this was revoked in 1994 after the constitutional changes there.[281]

To what extent this is a principle strictly adhered to, however, is open to question. After all, the nature of corporate capital in the late twentieth century is so internationally mobile, and business interests are so diversified after the frenetic spree of takeovers, mergers and demergers over the past fifteen years, that it requires systematic and consistent efforts to track down any change or possible overseas operations. Moreover, the policy is so defined as to allow a wide scope of interpretation. Apparently the Tate has in the past been lenient in defining what business association literally meant: was BP not heavily involved in South African oil and coal industries at a time when the gallery was in receipt of its largesse?[282]

The problem of sponsorship involved with multinationals has even more profound implications in a democratic state, in addition to the problems discussed earlier. Given their enormous corporate capital, multinationals can easily manoeuvre art exhibitions or indeed arts organisations across national frontiers to wherever their markets dictate. Further, the origins and backgrounds of gift-givers may not always be immediately clear. The case of the Nomura Room at the Tate and Nomura Securities, the world's largest stockbroking company, tellingly illuminates the point in question. Through the International Council of the Tate Gallery, and indeed the Council's chairman and the Gallery's trustee, Gilbert de Botton, according to Mary Brandenberg, Nomura Securities donated a magnanimous sum of £1.5 million, to the Gallery to refurnish one of its rooms, named the Nomura Room in honour of the company.[283]

Given the Tate's policy of wooing corporate sponsors, "to ensure that their business interests are well served," it is far from clear how, in this particular instance, the business interests of Nomura were actually served. What is certain, however, is that this rare magnificence did reach the ears of the Prime Minister of the time. Margaret Thatcher was reported as praising the company: "I am delighted that Nomura Securities are giving this money to build a new gallery and I hope that other firms will follow their lead."[284] While the Nomura Room was reportedly scheduled to open in the early months of 1990, Nomura International, its new European headquarters, "the largest façade-retention scheme in Europe," occupying an entire City block, was opened on 31 December 1990 by John Major on his last day as Chancellor of the Exchequer.[285] The timing of the two events can hardly be a mere coincidence. And the European tour of the Royal National Theatre productions of *Richard III* and *King Lear*, sponsored by Nomura in early 1991 to mark the opening of its Prague and Budapest offices in the new free-enterprise East Europe, casts further suspicion on the motives of the Nomura donation. At a seminar held at Nomura headquarters in February 1992, Keith Clarke, then director of Corporate Communications at Nomura,[286] mentioned how his company's arrival in the former Czechoslovakia was helped by their meeting its playwright-president Vaclav Havel at a dinner, which was only made possible by the sponsorship of the tour to Prague.[287] As a result, Nomura Securities, according to Antony Thorncroft, also won important commissions from the Czech and Hungarian governments.[288] The "imaginative coup," so to speak, in sponsorship was succinctly summed up by Colin Tweedie, director general of ABSA: "If you are a Japanese business trying to break into Europe, you want to do everything as 'unJapanese' as you can. What could fit the bill better than staging Shakespearean English theatre?"[289]

As no "public" record exists, it is not possible to prove definitely what "mysterious" access the Nomura donation to the Tate was meant to "buy." But judging from what can be gathered, it is fair to say that, as in the case of the National Theatre's European tour and other similar multinational arts ventures, it revolved around similar influence-buying activities and the gaining of access to overseas (*i.e.* British) politicians and business contacts.

The Nomura case also illustrates one of the most remarkable and questionable aspects of recent sponsorship development, that is, the veil of secrecy that is drawn over so many deals. Along with the great influx of private capital, particularly foreign, into British public art museums and galleries since the Thatcher days, the secretiveness that the receiving institutions are obliged to observe is growing at an alarming rate. Nomura's ultra generous donation was hardly reported at all in the media, in sharp contrast to the attention given to, say, the three-year £500,000 ICA/Toshiba deal, or Beck's gift of £350,000. So elusive did the spokesperson at the Company prove to be that "no" became almost the standard reply to all of my inquiries, except that on my insistence, they did confirm that the donation was a one-off, *decided in Japan*, and that Gilbert de Botton was, in their words, "related" to the deal (de Botton's own multinational finance company, Global Asset Management, is one of Nomura's clients).[290]

Nor has the Gallery been forthcoming in providing information.[291] At first, the Tate issued a general statement: "Naming opportunities are seen as major benefits as they give long-term exposure to a company, and therefore is only possible with substantial support which provides the Gallery with an endowment for the future." When I further inquired specifically about the Nomura case, and asked if the company does indeed provide any endowment for the Gallery, I was told that no further details were available since the arrangement was "confidential information." Moreover, the person who provided me with this information on Gallery sponsorship went so far as to "request" me to send them "any part of [my] thesis referring to the Tate before submitting it, so that it can be *approved or corrected* if necessary [italic added]."

I am not necessarily suggesting that the traditionally secretive ethos of the Japanese business world has been imported into Britain along with its powerful yen; Britain certainly has a code of secrecy of its own. But this sorry state of affairs is, as Raymond Williams eloquently put it when commenting on the rise of advertising in a capitalist economy, part of a different but relevant context:

> It is the result of allowing control of the means of production and distribution to remain in minority hands, and one might add, for *it is of increasing importance in the British economy, into foreign hands, so that some of the minority decisions are not even taken inside the society which they affect* [italic added].[292]

The increasing "colonisation" of public art museums and galleries in Britain by foreign capital might be less pernicious if it were no more than a disguised political lubricant to open the pathway to the corridors of power.[293] At the same time that the Nomura Room at the Tate was about to be opened,[294] it was revealed, in late June, that Nomura Securities in Japan, along with the other three biggest securities houses, was disgracefully involved in one of the biggest financial scandals since the Second World War. The extent of the scandal was such that it eventually led, amongst other things, to the resignation of Japan's finance minister, Ryutaro Hashimoto, in October, with the American and British regulators (Securities and Exchange Commissions and Securities and Futures Authority respectively) investigating the company's practices in each of their countries.[295] The malpractice for which Nomura was convicted included illicit compensation for favoured clients, tax evasion, and above all, extensive secret dealing with Japan's second largest organised crime syndicate, Inagawa-Kai.[296] Public consternation in Japan may not be a concern in Britain, except, perhaps, within financial circles, but the question inevitably arises: when is tainted money not tainted? And what greater irony could there be than that the Nomura Room, originally designed to elevate the company, on the global stage, into the corporate Pantheon, should in fact now turn out to be a permanent memorial of embarrassing indiscretion for the Tate?[297]

In Britain, as in the United States, the 1980s wrought a profound change in art museums, a change whose impact is only now becoming visible as the 1990s unfold. Crucially, British art galleries were, and still are, exposed to a climate of chronic financial insecurity without the vital support which used to be provided by government at various levels, and which has been progressively eroded by the relentless demands of market principles under the Conservative Government. As Fay Ballard, head of the Development at the Tate, put it, "The Tate is like a hungry animal. It needs continuous feeding."[298] Straitened financial circumstances and the rise of arts sponsorship do indeed go hand in hand. But to view the dominant corporate presence in art museums (and in the arts world in general) as primarily an issue that only concerns us financially is a fundamental mistake. That dominance, a logical consequence of companies' economic power, has had a profound impact on the cultural landscape of both British and American society.

One of the manifest effects of this corporate-processed message is on the public perception of the art museum. Encoded all over exhibition leaflets and banners is always the epigraph of gratitude such as "The exhibition is made possible by a generous grant from Corporation X." Or as BP's aggressive advertising campaign has it: "*Thanks to BP*, throughout the year the Tate is able to re-hang each of its galleries with New Displays and so bring you more of its masterpieces [italic added]."[299] (fig. 4-7) These oversaturated messages, combined with the legacy of blockbusters, help to create in the visitor's mind the illusion of today's art museums being a series of megashows sustained by corporate largesse. However, while there are no precise figures available for American art museums showing a distinction between public and corporate money, at least in Britain the fact is that the public sector still provides the majority of funding for art museums and galleries throughout the country.

It is also at this juncture that one has to ask how corporate sponsorship has affected the artists and their artistic careers, an issue that Victoria Alexander tried to measure statistically in her thesis, but without success.[300] No artist's career has been more closely linked with corporate sponsorship than that of the avant-garde star, Damien Hirst. As Robert Hewison pointed out, Hirst's career has prospered all the way along thanks to sponsorship, from Olympia & York and the London Docklands Development Corporation, who supported his banal student show *Freeze*, to the BT New Contemporaries in 1989, Haagen-Dazs at the Serpentine Gallery in 1994, and the commission of designing the sets for the contemporary opera Agongo, sponsored last year by Beck's,[301] a glittering career which reached its climax with the winning of the Turner Prize in 1995. Hirst, whose manipulation of sheep, cows and sharks preserved in formaldehyde has put him at the centre of controversy in London avant-garde circles, is perhaps most qualified to speak on the topic:

> If art is about life, you can't avoid that side of life. At Goldsmiths' College they really encouraged breaking down barriers and finding new ways to do things, and sponsorship is all part of it. Undoubtedly it affects the reception of the work but that is something to work with. I don't see myself approaching the Meat Marketing Board, but you could make a political point by doing something really gruesome with animals, and getting sponsorship from Friends of the Earth.[302]

Hirst's amazing career, which combines the "shock" value of cutting-edge art with sponsorship from the bourgeois world that the avant-garde traditionally set out to challenge, is very much a paradox. It is precisely the outrage and publicity that avant-garde art generally generates, insofar as it is "contained," that have made it even more attractive to sponsors who are looking for a specific market, and have the stomach for an "avant-garde shock." As Hewison put it: "So sponsorship can become just one more piece of artist's material. Yet in the process the artist becomes one more piece of advertising."[303]

It has long been argued and advocated by conservatives on both sides of the Atlantic that the arts should be funded from a variety of sources in order to guarantee choice in a democracy. In America, this often means that the role of federal government should be restricted and indirect, "lest it become a state-imposed culture at odds with the American pluralist tradition."[304] A similar rhetoric has often been expressed in Britain in the concept of plural funding, as the former Arts Minister Richard Luce put it: "This plurality of funding means that arts organisations can spread their risks, and become less dependent on one source of funding. Plural funding adds to the vitality of the arts and acts as a safeguard against any restrictions on artistic expression."[305] Such democratic appeal, however, simply cannot be substantiated. So called "plural funding," as demonstrated in this chapter, is only another piece of privatisation by the Conservatives in order to move art museums and galleries from the public domain into corporate hands. It does nothing but reinforce the underlying economic relationships in society. To quote the Trade Union Congress' report: "It is important to remember that the activities of the private sponsor of the arts, unlike his public counterpart, *are not subject to any degree of democratic control* [italic added]."[306] The increasing takeover of non-economic domains by corporations, one of the most remarkable features of late capitalism, must open our eyes to the fact that the rise of arts sponsorship is as much as to be lamented as it is to be celebrated.

NOTES

1. Deanna Petherbridge, "Patronage and Sponsorship: the PS at the Bottom of the Art Balance Sheet," *Art Monthly*, 38, July/August 1980, p. 9.

2. Lexus is Toyota's luxury-car division. For its arts sponsorship, see Michael Z. Wise, "Mammon and the Muse," *Artnews*, 94(4), April 1995, p. 139.

3. Quoted in Raman Seldon, "The Rhetoric of Enterprise," in Russell Keats and Nicholas Abercrombie, *Enterprise Culture* (London: Routledge, 1991), p. 69.

4. The highest band of income tax was lowered from 70 % to 33 % under the Reagan administration, and from 60 % to 40 % in the Thatcher decade.

5. 87 members of the *Forbes 400* in 1988 derived their fortune principally from real estate, 65 from financial operations, 73 from media enterprises and 15 from high technology. 224 people in total made their fortunes without any significant inheritance, in contrast to 154 with inherited money; see Harold Seneker, ed., "The 400 Richest People in America," *Forbes*, 24 October 1988, pp. 142-273.

6. Anthony Sampson, *The Midas Touch: Money, People and Power from West to East* (London: Hodder & Stroughton, 1989), pp. 15-20.

7. Alexis de Tocqueville, *Journey to England and Ireland* (New York: ARNO Press, 1979), p. 91. (first published in 1835)

8. John Taylor, "Party Palace: The High Life at the Gilded Metropolitan Museum," *The New York Times Magazine*, 19 January 1989; quoted in Herbert I. Schiller, "The Corporate Art: Pitchers at an Exhibition," *The Nation*, 249, 10 July 1989, pp. 37, 55-57.

9. *Newsweek*, 17 October 1977.

10. Cathleen McGuigan, "New Art, New Money," *The New York Times Magazine*, 10 February 1985.

11. Quoted in Deborah Philip, "Bright Lights, Big City," *Artnews*, 84(7), September 1985, p. 82.

12. Deborah Philip, "Bright Lights, Big City," *art. cit.*, p. 82.

13. These reports were discussed in Thomas Lawson, "Toward Another Laocoon, or the Snake Pit," *Artforum*, March 1986, p. 103.

14. Quoted in Deborah Philip, "Bright Lights, Big City," *art. cit.*, p. 82.

15. John Ryan and Deborah A. Sim, "When Art Becomes News: Portrayals of Art and Artists on Network Television News," *Social Forces*, 68(3), March 1990, pp. 869-89.

16. Simon Caulkin, "Value for Money," *The Observer*, 24 April 1994.

17. Sarah Drummond, "Hanging Judges," pp. 13-14, unidentified article in documentary archive of Resources Centre, Department of Arts Policy and Management, City University, London.

18. The topic was not mentioned in the fairly comprehensive data collection, *A Sourcebook of Arts Statistics: 1987* (Washington, D.C.: National Endowment for the Arts, 1988). In the most recent survey on American museums (of all types), only the number of museums with not-for-profit boards and a breakdown of the numbers of trustees on the boards were reported; see American Association of Museums, *Data Report: From the 1989 National Museum Survey* (Washington D.C.: AAM, 1992), pp. 68-69.

19. Alan and Patricia Ulberg, *Museum Trusteeship* (Washington, D.C.: American Association of Museums, 1981); Peter J. Ames and Helen Spaulding, "Museum Governance and Trustee Boards," *The International Journal of Museum Management and Curatorship*, 7, 1988, pp. 33-36.

20. Telephone conversation with Phyllis Doak, Executive Office, Museum Trustees Association, Washington D.C., on 28 April 1995.

21. Brian Wallis, ed., *Hans Haacke: Unfinished Business* (New York: The New Museum of Contemporary Art, and Cambridge MA.: M.I.T. Press, 1986), pp. 110-17. Using board memberships, the work concerned traced the family relationships and corporate directorships which underlay board membership. In particular it explored the involvement of the president of the board, Peter O. Lawson-Johnston (grandson of Solomon R. Guggenheim) and his business associates (also board members) through the company they directed, Kennecott Copper Corporation, in the exploitation of the mineral wealth of underdeveloped countries, such as coal mines in Chile.

22. Quoted in Grace Glueck, "Power and Esthetics: The Trustee," *Art in America*, July/August 1971, p. 78; see also Karl E. Meyer, *The Art Museum*, *op. cit.*, p. 224.

23. National Endowment for the Arts, *Museum USA* (Washington D.C.: NEA, 1975), pp. 73-74.

24. Grace Glueck, "Power and Esthetics," *art. cit.*, pp. 80-82.

25. Grace Glueck, "Power and Esthetics," *art. cit.*, pp. 80-82.

26. Glueck, "Power and Esthetics," *art. cit.*, pp. 81-82.

27. Quoted in Francie Ostrower, *Why the Wealthy Give: The Culture of Elite Philanthropy* (Princeton, NJ: Princeton University Press, 1995), p. 36.

28. George C. Seybolt, "... and the Trustee's," *Art in America*, 59(6), November/December 1971, p. 31.

29. Meyer, *The Art Museum*, *op. cit.*, p. 225.

30. Grace Glueck, "Power and Esthetics," *art. cit.*, p. 83.

31. Anthony Sampson, *The Midas Touch, op. cit.*

32. Quoted in Paul Gardner, "What Price Glory?" *Artnews*, 87(8), October 1988, p. 124.

33. Amy Goldin and Roberta Smith, "Present Tense: New Art and the New York Museum," *Art in America*, 65(5), September/October 1977, p. 96. The former president of the Museum, Flora Miller Biddle (now chairman), the granddaughter of the founder, also claimed: "For a proper perspective, it is important to remember that the Museum only became a genuinely public institution, with non-family trustees, in 1961." See *Bulletin of the Whitney Museum of American Art*, no. 2, Fall 1980, p. 5.

34. This is the figure given by Amy Goldin and Roberta Smith, "Present Tense," *art. cit*, p. 98. It is impossible to work out the precise number of trustees at this stage as the names of the trustees in the mid-'70s are unavailable. I do not know if the number of 29 includes the director or honorary trustees. As of June 1978, the Museum had 28 trustees (including a honorary chairman, honorary president, and the director), and four honorary trustees; see *Bulletin of the Whitney Museum of American Art*, no. 1, Fall 1978.

35. Although some of the trustees at the Whitney have been there for decades, others serve comparatively short period of time. During the 1980s, for example, Mrs Thomas M Evans and Faith Perelman served only for two years; Martin D. Gruss and Elizabeth J. McCormack were on the board for four years.

36. See *Bulletin of the Whitney Museum of American Art*, no. 1, Fall 1978. The total of 27 does not include the director and another four honorary trustees.

37. The Whitney bulletins in the periods under consideration were not consistent in listing women trustees. In some cases, they are listed in their own names with that of the husband indicated, such as "Elizabeth (Mrs Donald A.) Petrie," and in others, they are listed simply in their husband's names, such as Mrs Thomas M. Evans. In the annual reports of the Museum of the Modern Art in the early '80s, almost all the women were listed in their husband's name.

38. Terry Trucco, "The Growing Number of Women Trustees," *Artnews*, 76(2), February 1977, pp. 54-55.

39. According to Francie Ostrower, "[t]he characteristic involvement of affluent women in volunteer work has been viewed as interconnected with the fact that they do not work and remain outside of economic positions." "Doing nothing" is the phrase used by her interviewees; see Ostrower, *Why the Wealthy Give, op. cit.*, pp. 78-79.

40. G. William Domhoff, *The Higher Circles* (New York: Random House, 1970), p. 41.

41. Donald Archibald Petrie, trained as a lawyer, is an investment banker and publisher. His other titles also included deputy chairman of W.H. Smith & Sons (U.S.A.).

42. See *Bulletin of the Whitney Museum of American Art 1980-81*, no. 3, Fall 1981.

43. Thorstein Veblen, *The Theory of the Leisure Class* (Harmondsworth, England: Penguin Book, 1979). (originally published in 1899).

44. James Kraft, the Whitney's development officer, was reported as saying: "board members have to give at least $100,000 a year." Quoted in Grace Glueck, "Mogul Power at the Whitney," *The New York Times Magazine*, 4 December 1988, Section 6, PT II, p. 74.

45. As early as 1965, a study on the executive wife in America was carried out by Margaret L. Helfrich, *The Social Role of the Executive's Wife*, and discussed in J.M. and R.E. Pahl, *Managers and Their Wives* (London: Allen Lane, 1971). However, these studies, focused on the (lower) middle class, and in any case falling outside the time-frame of our study, are of little help in obtaining a more comprehensive analysis of the women trustees in question. In "Gender, Marriage, and Philanthropy," Ostrower focused on the different philanthropic behaviours of men and women, which is not directly related to the questions in which I am interested; see Ostrower, *Why the Wealthy Give, op. cit.*, pp. 69-85.

46. The number does not include the director and three honorary trustees. See *Bulletin of the Whitney Museum of American Art 1988-89*, p. 4.

47. Her mother Flora Whitney Miller retired from the board. Flora Miller and Michael H. Irving were divorced in 1981, although Michael H. Irving was made an honorary trustee in 1980, and remained so throughout the '80s.

48. The other two real estate men were George S Kaufman, a trustee from 1981/82 to 1988/89 and Benjamin D Holloway, from 1984/85 to 1989/90. Although Mrs Laurance S. Rockefeller was on the board, and Rockefeller's family had a significant amount of interest in real estate, their primary interests were arguably in banking and oil.

49. Taubman bought Woodward & Lothrop in Washington D.C. in 1984 and Philadelphia's Wanamaker chain for $174 million in 1986. According to *Forbes*, both were up for sale again in 1988; see *Forbes*, 24 October 1988, p. 158. For his listing in the *Forbes 400*; see *Forbes*, 1 October 1984, p. 92; 28 October 1985, p. 127; 27 October 1986; 26 October 1987, p. 122, and 24 October 1988, p. 158.

50. Introducing Benjamin D. Holloway as a new trustee to the Board, Flora Miller Biddle wrote: "Mr Holloway was instrumental in the establishment of a new branch museum at Equitable headquarters, due to open in 1986." See *Bulletin of the Whitney Museum of American Art 1984-85*, p. 8.

51. Terry Trucco, "The Growing Number of Women Trustees," *art. cit.*, p. 55.

52. Sam Hunter, *Art in Business: The Philip Morris Story* (New York: Published under the auspices of Business Committee for the Arts by Abrams, 1979), p. 172.

53. James Kraft, the Whitney's development officer, was quoted as saying: "For us to operate successfully, board members have to give at least $100,000 a year," and the new trustees were contributing "at a much higher level;" see Grace Glueck, "Mogul Power at the Whitney," *art. cit.*, p. 74.

54. For example, as regards to trustee-museum relationship, E. John Bullard, director of the New Orleans Museum of Art, was quoted as saying: "This is a two-way street;" see Andrew Decker, "Trustees and Trust," *Artnews*, 88(10), December 1989, p. 51.

55. *Ibid.*

56. For a discussion of conflicts of interest, see Alan D. Ullberg and Patricia Ullberg, *Museum Trusteeship* (Washington D.C.: American Association of Museums, 1981), pp. 78-86; Albert Elsen, "Conflicts of Interests: A Radical Proposal," *Artnews*, 89(4), April 1990, p. 190; Tom Mullaney, "Museum Ethics; Changing the Rules," *New Art Examiner*, 9(5), February 1982, pp. 13, 27; Daniel Catton Rich, "Management, Power, and Integrity," in Sherman E. Lee, ed., *On Understanding Art Museums* (Englewood Cliffs, NJ: Prentice Hall, 1975), pp. 135-37; A. Elsen and J. Merryman, *Law, Ethics and the Visual Arts* (Philadelphia: University of Pennsylvania Press, 1987), pp. 677-96.

57. Douglas A Johnston, "Legal Notes: Directors and Trustees: Personal Liability for their Actions," *The International Journal of Museum Management and Curatorship*, 7, 1988, p. 77.

58. Quoted in Gordon H. Marsh, "Governance of Non-Profit Organizations: An Appropriate Standard of Conduct for Trustees and Directors of Museums and Other Cultural Institutions," *The Journal of Arts Management and Law*, 13(3), Fall 1983, p. 33.

59. Grace Glueck, "Mogul Power at the Whitney," *art. cit.*, p. 76.

60. *Ibid.*

61. For a brief discussion of the legal suits, see Gordon H. Marsh, "Governance of Non-Profit Organizations," *art. cit.*; Lee Rosenbaum, "Will Robert Abrams Raise the Ethical Consciousness of Museums?" *Artnews*, 78(10), December 1979, pp. 50-58; A. Elsen and J. Merryman, *Law, Ethics and the Visual Arts*, *op. cit*, pp. 685-96.

62. It is the opinion of several authors that the state attorney general's offices are grievously overworked and understaffed; see Peter J. Ames and Helen Spaulding, "Museum Governance and Trustee Boards," *The International Journal of Museum Management and Curatorship*, 7, 1988, p. 35.

63. The incident was reported in Grace Glueck, "Mogul Power at the Whitney," *art. cit.*, p. 27. The other two trustees in question were Sondra Gilman Gonzalez-Falla and A. A. Taubman.

64. *Ibid.*

65. I do not include what in the jargon of museum professionals are called "independent museums" in Britain, such as the Ironbridge Gorge Museum. These are privately run and none of them, as far as I know, have anything to do with contemporary art.

66. For example, in the only comprehensive survey so far published on American museum trustees, it was stated, "[i]n the overwhelming majority of these museums the board's major responsibility is for finances...;" see National Endowment for the Arts, *Museum USA*, *op. cit.*, p. 71. A similar comment was made by Maggie Prendergast, *Capital Fundraising in the UK and the US and the Role of the Private Sector in Museum Development*, unpublished MA Thesis, 1995, City University, London.

67. Andrew Faulds, "The State and the Arts in Great Britain," *Studio International*, 182, November 1971, p. 202.

68. Martin Kemp, "The Crisis at the V & A," *Burlington Magazine*, 1034, May 1989, p. 356.

69. Norman Reid, "The Limits of Collecting," *Studio International*, 182, July/August 1971, p. 38.

70. Raymond Williams, "The Arts Council," *art. cit*, p. 160.

71. Martin Kemp, "The Crisis at the V and A," *art. cit.*, p. 356.

72. The phrase "men of quality and spirit" was Lord Robbin's, a former trustee of the National Gallery; see Andrew Faulds, "The State and the Arts in Great Britain," *art. cit.*, p. 205. The phrase "non-partisan representation of diverse interests" is Martin Kemp's; see "The Crisis at the V & A," *art. cit.*, p. 356.

73. The fact that I include architects here does not imply that they are not in the same rank as other businessmen, despite their association with visual culture. Some of them are at least as multinational, such as the architect firm Skidmore Owings and Merrill (Chicago), which went bankrupt in 1990.

74. According to the only comprehensive survey on visual artists in the '80s, half of the 1139 artists studied are from the top two social classes (23 percent of female artists from social class I, and 43 percent from social class II; a corresponding 17 percent and 29 percent for male artists respectively); see Nicholas Pearson, *The Economic Situation of Visual Artists* (London: Calouste Gulbenkian Foundation, 1985), pp. 24-33.

75. The Clarendon Commission of 1861-64 listed nine schools as "significant of the position that a few schools had gained in the public eye." They were: Eton, Harrow, Charterhouse, Merchant Taylors', Rugby, St Paul's, Shrewsbury, Westminster and Winchester.

76. Before the Gallery went "independent" in 1987, 92 percent of its income came from the Arts Council, with the rest from earned income. In the 1990s, grants from public

sources decreased to less than 50 percent.

77. Museums and Galleries Commission, *National Museums* (London: Museums and Galleries Commission, 1988).

78. For a discussion of the change of board membership in general, see Jeremy Paxman, "The Arts Tsars," *Friends in High Places: Who Runs Britain?* (London: Penguin Books, 1990), in particular, pp. 294-304.

79. Andrew Knight, the chief executive of the Telegraph Group and a former trustee at the V & A, commented that he "had led the cry for a real museum shop," and was "also the loudest voice in favour of admission charges" among fellow trustees; see "I was a Trustee of the V & A," *The Spectator*, 4 March 1989, p. 14. Sir Roy Strong, then director of the V & A was quoted as saying, "It [the shop] could be the Laura Ashley of the Eighties;" see Sarah Drummond, "Hanging Judges," see note 17 above.

80. For the restructuring at the V & A, see "Letters," *Burlington Magazine*, May 1989, pp. 357-58.

81. Martin Kemp, "The Crisis at the V & A," *art. cit.*, p. 356.

82. Tim Hilton, "The Taking of the Tate," *The Guardian*, 23 December 1988, p. 24. The trustees of the National Gallery always appoint one of their number to be a "liaison trustee" on the Tate Board, and vice versa. This arrangement was made when the Tate was formally separated from the National Gallery in 1954.

83. At present, the Board consists of twelve members; see *Museums and Galleries Act 1992*, p. 16.

84. Tim Hilton, "The Taking of the Tate," *art. cit.*

85. Richard Rogers was a trustee of the Tate from January 1981, and became chairman in October 1984, a position he held until his retirement from the Board in December 1988. He was knighted in 1991.

86. According to Tim Hilton, Stevenson's appointment as chairman was not as precipitate as it might seem to be. Stevenson was brought in 18 months earlier as a special adviser to the trustees; see Hilton, "The Taking of the Tate," *art. cit.*

87. Bernard Levin, "The Tate Rejected Master," *The Times*, 17 October 1988, p. 16.

88. Jeremy Paxman, *Friends in High Places, op. cit.*, pp. 299-300.

89. This was according to a director of one of the national galleries whose trustees were appointed by the Prime Minister; see Jeremy Paxman, *Friends in High Places, op. cit.*, p. 126.

90. Bernard Levin, "The Tate Rejected Master," *art. cit.*

91. Jeremy Paxman, *Friends in High Places, op. cit.*, p. 301.

92. And the fact that Sir Alan Bowness had approached Sir John Burgh to be the chairman of the Tate clearly showed the different political sensitivities of Bowness and Serota. For their different approaches to funding, see the next section of this chapter.

93. Deanna Petherbridge, "Patronage and Sponsorship," *art. cit.*, p. 17.

94. Patrons of British Art was established to assist with the acquisition of British painting and sculpture from 1500 to the 1930s, while the Patrons of New Art is primarily concerned with the purchase of contemporary works for the Tate.

95. The membership fee varies according to different categories, ranging from £650 for single (£500 by deed of covenant), £750 for double, to £475 for under 35 (£350 by deed of covenant) and £575 for young double (£450 by deed of covenant) for the current year; see *Tate Gallery Patrons of New Art* brochure.

96. Stephen Pile, "Want to be an Arbiter of Art? That'll be £650," *The Daily Telegraph*, 15 July 1995, p. A5.

97. Mrs Jill Ritblat was on the Executive Committee of the Patrons of New Art from 1987 to 1990, and on the Events Committee from 1993. The British Land Company plc, for example, sponsored the exhibition *Ben Nicholson* in 1993.

98. The three women are Janet de Botton, Felicity Waley-Cohen and Mrs Sandra (William) Morrison, although biographical details for de Botton are available from her current position as a Tate trustee. Nor is John Botts listed in *Who's Who in America* as he moved to London in the mid '70s. After all the difficulties I encountered with the Tate, I unexpectedly obtained some sketchy information from his secretary, and his name did appear in *the Financial Times* on one or two occasions, unlike those woman trustees who do not occupy any official positions and, with the exception of de Botton, remain obscure, even if they have a solid family name such as "Waley-Cohen."

99. The information I have from this source constitutes only three lines on three trustees; that is, Janet de Botton (the year of her birth and name of her father), Felicity Waley-Cohen (the year of her birth and the name of the gallery she ran in the 1970s) and John Botts (the name of his company).

100. Telephone conversation on 29 August 1996.

101. The only woman on the board in the '60s was the artist trustee Dame Barbara Hepworth (September 1965-September 1972) and in the '70s the artist trustee Rita Donagh (February 1977-February 1984), who was not as well known as Hepworth, although she is the wife of the artist Richard Hamilton.

102. She was appointed in December 1982 and reappointed in January 1990, only to retire in December 1994.

103. "Lesson in Waiting," *The Sunday Telegraph*, 7 October 1984, p. 2.

104. The occupation of a few trustees falls into more than one category; the classification is based on that at the time of appointment. For example, although Sir Rex Richards was Dr. Lee's Professor of Chemistry at Oxford from 1964 to 1970, at the time of his appointment (*i.e.* May 1982), he served as director of IBM-UK (1978-83) and Oxford Instruments Group (1982-91). Similarly, Paula Ridley was a lecturer in Politics and Public Administration at the then Liverpool Polytechnic (1968-71), but she then went on to serve on numerous business boards. By the time she was appointed as trustee, she was involved in various business enterprises, such as Membership of the IBA (1982-88), Granada Telethon Trust (1988-94), Board Member of Brunwick Small Business Centre Ltd. (1984-95), consultant for the BAT Industries Small Business Ltd (1983-95), and was an associate of CEI Consultants (1984-88). I intentionally exclude Paula Ridley; she is an odd number among the trustees. She was on the Tate Board (from 1988 onward, reappointed in 1993) because she was the chairwoman of the Tate Gallery Liverpool Advisory Council (she was, and still is, very active in civic affairs in the Liverpool area). I suspect that if she had been resident in London, she would not have been on the main Tate Board.

105. Quoted in Jeremy Paxman, *Friend in High Places*, *op. cit.*, p. 300.

106. Dennis Stevenson, Chairman of the Tate, for example, has close links with both sides. While he is professionally related to Sir Mark Weinberg and his Conservative business allies, one of the co-founders of his company, SRU, is Colin Fisher, otherwise known as Peter Mendelssohn, who is closely involved in the Labour Party.

107. Peter Marsh, William Lewis *et al.*, "Conservative Party Funding: Two-Pronged Attack on £15m Debts," *The Financial Times*, 19 December 1994, p. 9. In another report dated 30 June 1995, the figure of the Lazard Brothers political donation was suggested as £90,000 over the past four years; see Peter Marsh, "The Tory Leadership Contest," *The Financial Times*, 30 June 1995, p. 7.

108. Keith Nurse, "Puttnam is New Tate Trustee," *The Daily Telegraph*, 4 January 1986, p. 10. David (now Sir David) Puttnam was a trustee of the Tate from December 1985 to April 1993, despite his absence from Britain between 1986 and 1988 when he went to the United States to assume the post of chairman and chief executive officer of Columbia Pictures.

109. Anthea Hall, "New Masters at the Tate," *The Weekend Telegraph*, 15 January 1989, p. 7. Dennis Stevenson became a trustee in 1988, and has been Chairman since January 1989, having been reappointed in September 1993.

110. "Another Tate Takeover," *The Standard*, 25 July 1984, p. 6.

111. Raymond Snoddy, "BSkyB to Float with 19 on Board," *The Financial Times*, 14 November 1994, p. 19. The Pearson is a multinational conglomerate whose business interests include information (*the Financial Times*, *the Economist*, *Les Echos*, *Westminster Press*, Penguin, Addison-Wesley, Longman, Federal and Capitol, Elsevier), entertainment (Tussauds Group, B Sky B, Yorkshire Television, Pickwick), oil services (Camco Products and Services Group, Camco drilling Group and Reda Group), investment banking (Lazard Brothers, London, Lazard Frères, New York, and Lazard Frères, Paris),

Royal Doulton, and some property interests in the Lakeside region; see *Pearson Annual Report and Accounts 1990*, London.

112. "Tate Gallery Trustees: Background Information," provided by the Gallery.

113. Govett's other UK directorships include Basinghall Securities, Govett Equity Trust Ltd., Govett Oriental Investment Trust plc, Govett Far East Investment Inc., Govett Strategic Investment Trust plc., Legal and General Group, Investors in Industry (subsequently 3i), and his other overseas directorships include Govett Far East Investment Inc., Berkeley Govett and Co. Ltd. This information is compiled from *Who's Who* and also from Tim Hiltŏn, "The Taking of the Tate," *art. cit.*

114. De Botton's other UK directorships include RIT & Northern plc. (affiliated to the Rothschild's financial empire); J. Rothschild Investment Management Ltd., Global Asset Management Ltd., and his other overseas directorships include Agrigenetics Corp. USA; Leveraged Capital Holdings Investments (Curacoa); Biotechnology Investments Ltd., Global Asset Management Worldwide Inc., Global Asset Management (GAM) Switzerland SA; and Global Asset Management (Panama) Corp. This information is compiled from *Who's Who* and also from Fay Brauer, "Tate Sponsorship," *Art Monthly*, 91, November 1985, p. 2.

115. Allied Dunbar was one of British American Tobacco's (BAT) subsidiaries, which was largely Weinberg's creation from Abbey Life and Hambro Life Assurance, which he had previously founded. Weinberg was the managing director of Allied Dunbar from 1971 to 1983 and then chairman from 1984 to 1990. He was a trustee of the Tate from May 1985 to March 1992.

116. Christian Tyler, "The Active Citizen: Charity Begins in the Office," *The Financial Times*, 10 March 1990, p. 16; "Third Time Lucky?" *The Financial Times*, 1 August 1991, p. 14.

117. The phrase is Jeremy Paxman's, *Friends in High Places*, *op. cit.*, p. 255.

118. Jacob Rothschild was appointed as a trustee of the National Gallery in 1984, became its Chairman in 1985 until he retired from the Board in 1991. For his profile and power in the art world, see Andrew Graham-Dixon, "A Modern Medici," *Vogue* (Britain), November 1990, pp. 236-39, & 311, and Fiammetta Rocco, "Power and Glory to Those on High — Who Really Runs the Arts in This Country Today?" *The Independent on Sunday*, 18 June 1995, Features 22-24.

119. Gilbert de Botton was the general manager of Rothschild Bank, the Zurich-based affiliate of N. M. Rothschild of London. He left to work for Jacob Rothschild's bank in London in 1981; see Jan Rodger, "Rothschild Pays the Price of a Swiss Scandal," *The Financial Times*, 16 June 1993, p. 26. One of the Rothschild companies, St. James's Place, owned 29 percent of Global Asset Management in 1994; see Peter Rodgers, "Weill Funds Embarrass Lord Rothschild with $600m Loss," *The Independent*, 30 September 1994, City & Business p. 32.

120. Tim Hilton, "The Taking of the Tate," *art. cit.*

121. Norma Cohen, "Rothschild and Weinberg Form Assurance Company." *The Financial Times*, 1 August 1991, p. 17, and "Appointments: Managing Director at Empire Stores," *The Financial Times*, 17 October 1991, p. 46.

122. Christopher Price, "Pearson Shares Slide After Warning on Earnings Hopes," *The Financial Times*, 14 December 1995, p. 21.

123. He was the Chief Executive from 1981 until 1993, and Chief Executive of Independent Television News (ITN) from 1993 until 1995. In addition to being on the Tate Board, he is also chairman of the Contemporary Art Society and a Vice Chairman of the South Bank Centre, and was a governor of the British Film Institute from 1982 until 1992.

124. For the date and information on de Botton and Janet Green, see *Tate Gallery Biennial Report 1986-1988*, p. 40. Gilbert de Botton was a trustee of the Tate from 1985 to 1992, and of the Gallery Foundation from 1986 to 1992.

125. Janet Green was married to Michael Green in 1972, chairman of Carlton TV (1991-1994), and the marriage was dissolved in 1989.

126. The Great Universal Stores, founded by Sir Isaac Wolfson, was by far Britain's largest mail order concern, controlling about 40 percent of sales by the time of his death; see Ben Laurance, "GUS Shares Soar on Founder's Death," *The Guardian*, 22 June 1991, p. 10, and Aubrey Newman, "A Wealth of Generosity," *The Guardian*, 22 June 1991, p. 21. Janet de Botton is his granddaughter.

127. See p. 171 above.

128. Robert Mason, "Board Stuff," *Museums Journal*, March 1995, p. 15.

129. Anthea Hall, "New Masters at the Tate," *art. cit.*, p. 6.

130. Alice Rawsthorn, "Specialist Purveyors of Tomorrow's Ideas," *The Financial Times*, 18 June 1990, p. 14.

131. "People: Non-Executive Directors," *The Financial Times*, 23 March 1993; Paul Taylor, "Dennis Stevenson to Chair GPA," *The Financial Times*, 31 August 1993; and Roland Rudd, "Tough Task for a Master of Low Profile," *The Financial Times*, 1 November 1993, to name but a few. The significance lies in the fact that, although these two are not the only appointments in which Stevenson is involved, they seem to be the most often mentioned, which indicates the extent of their significance in constructing his profile.

132. Waldemar Janusczak, "No Way to Treat a Thoroughbred," *The Guardian*, 15 February 1986, p. 11.

133. Gilbert de Botton, "Sponsorship of Art," transcript of a speech given at *Art at Work* conference organised by Art for Offices on 8 November 1985.

134. The appointment of Gilbert de Botton and Mark Weinberg to the Tate Board was announced in the middle of April; see "Tate Trustees," *The Daily Telegraph*, 17 April 1985. They took office in May 1985.

135. Fay Brauer, "Tate Sponsorship," *art. cit.*

136. According to de Botton, "Corinne Bellow, who is in charge of sponsorship at the Tate, went into quick action, because the catalogue had already been printed and many other aspects such as posters, display and the like had not been geared to sponsorship;" see de Botton, "Sponsorship of Art," *art. cit.*

137. De Botton, "Sponsorship of Art," *art. cit.*

138. Dawn Ades and Andrew Forge, *Francis Bacon* (London: Thames and Hudson, published in association with the Tate Gallery, 1985), p. 237. The same point was made by Fay Brauer, "Tate Sponsorship," *art. cit.*

139. Among the 58 exhibitions held at the Tate between the late '60s and June 1996, three Picasso exhibitions are in the top-ten league table of attendance, with *Late Picasso* ranking as the 10th. It is also a fact that within three decades or so Picasso has had two solo shows at the Tate (*Picasso: Sculptor/Painter* in 1994, ranked fourth most popular show, and *Late Picasso*), one *Picasso/Lichtenstein* in 1974, ranking seventh most popular show, not to mention other exhibitions such as *On Classic Ground* in 1990, in which Picasso had a prominent presence. He is the only artist who has ever achieved such a highly visible status. The information on attendance figure is provided by the Gallery.

140. The phrases in quotation marks are Gilbert de Botton's; see "Sponsorship of Art," *art. cit.*

141. *Late Picasso: Paintings, Sculpture, Drawings, Prints 1953-1972* (London: Tate Gallery, 1988), p. 309.

142. According to Ian Rodger, de Botton left Switzerland to work in London for Jacob Rothschild in 1981; see "Rothschild Pays the Price of a Swiss Scandal," *The Financial Times*, 16 June 1993, p. 26. Dominic Prince also mentioned in passing that de Botton founded Global Asset Management in 1983 "after his departure from Rothschild Bank in Zurich"; see "Bunhill: Bright Future for Alain de Botton," *The Independent on Sunday*, p. 24. According to Fay Brauer, Global Asset Management was incorporated on 10 August 1982; see "Tate Sponsorship," *art. cit.*

143. Hans Haacke, "Taking Stock (unfinished)," *Hans Haacke; Unfinished Business, op. cit.*, p. 260. The relationship between Patrons of New Art and the Tate seems to have changed over time.

144. Nick Rosen, "Artopoly: A Giant Game for Dealers, Museum Curators and Artists," *The Guardian*, 19 December 1983.

145. *Ibid.*

146. Dalya Alberge, "A Very Private Collector," *The Independent*, 3 March 1992.

147. The list of benefactors and donors include those individuals who are either trustees of the Gallery or Gallery Foundation or on the Patrons of New Art or British Art, or the companies they are associated with. Those on the Benefactors list include Gilbert and Janet de Botton, Mr John Ritblat (in the Patrons of British Art), SRU (Dennis Stevenson's company) and Weinberg Foundation. Those on the Donors list include: Lord Attenborough (Trustee 1975-1982, reappointed in March 1994), Friends of Nancy Balfour (Patrons of New Art), B.A.T. Industries plc (Mark Weinberg's association), William Govett, Mr and Mrs Michael Heseltine (Mrs Heseltine is involved in Patrons of British Art and their daughter Annabel is involved with Patrons of New Art), Mr Robert Horton (former BP chairman and on the Foundation Board), George Loudon (Trustee from 1992-), Mrs Jill Riblat, Rothschild Bank AG (de Botton's connection) and Waley-Cohen Charitable Trust. "Tate Gallery of Modern Art Campaign: Start Up Cost" include Lord and Lady Attenborough, English Partnership (of which Dennis Stevenson is a director), Mr and Mrs George Loudon and Mr and Mrs Dennis Stevenson. Those on the Donors list for Tate Liverpool and St Ives include the Wolfson Foundation (Janet de Botton's connection) and Trustees of the Carew Pole Family Trust (Sir Richard Carew Pole became a trustee of the Tate in 1993) and Weinberg Foundation. See *Cézanne* (London: Tate Publishing, and Philadelphia: Philadelphia Museum of Art, 1996), pp. 598-99.

148. Sarah Drummond, "Hanging Judges," as in note 17 above.

149. National Galleries of Scotland, "Code of Best Practice for the Board of Trustees of the National Galleries of Scotland," n.d., p. 4.

150. "Trusting the Trustees" was the phrase used in the report on the national museums and galleries by the Museums and Galleries Commission; see *The National Museums, op. cit.*, p. 17.

151. Quoted in Paul Gardner, "Tainted Money," *Artnews*, 88(4), April 1989, p. 183.

152. Quoted in Peter Taylor, *Smoke Ring: The Politics of Tobacco* (London: Bodley Head, 1984), p. 124. Luke Rittner was Secretary-General of the Arts Council of Great Britain from 1983 to 1990.

153. *Ibid.*, p. 117. Sir Kenneth Robinson was chairman of the Arts Council from 1977 to 1983. However, in an article Robinson commented that the statement was in fact made by an earlier chairman of the Arts Council, whom he did not identify; see Kenneth Robinson, "State Subsidy is the Arts' Best Friend," *The Times Higher Education Supplement*, 18 April 1980.

154. Herbert Schiller, *Culture Inc.* (Oxford and New York: Oxford University Press, 1989).

155. Colin Tweedy, "Sponsorship of the Arts — An Outdated Fashion or the Model of the Future?" *Museum Management and Curatorship*, 10, June 1991, p. 161.

156. Winton M. Blount, *Business Support to the Arts is Just Good Sense* (New York: Business Committee for the Arts, 1984).

157. Willard C. Butcher, *Going Public for the Private Enterprise System* (New York: The Chase Manhattan Bank, 1980), quoted in Michael Useem, *Inner Circle, op. cit.*, p. 89.

158. *Ibid.*, p. 87.

159. Sam Hunter, *Art in Business: The Philip Morris Story* (New York: Published under the auspices of Business Committee for the Arts by Abrams, 1979), p. 37.

160. Michael Useem and Stephen I. Kutner, "Corporate Contributions to Culture and the Arts," *art. cit*, pp. 99-100.

161. Senior management includes the categories of Chairman/Chief Executive/Managing Director (43.5), senior managers (8.7 %) and the Board of the company (6.5 %). The percentage (81.8 %) for American companies includes the CEO or Chairman (72.7 %), and senior managers (9.1%). The percentage (36.3 %) for middle managers in British respondents includes middle managers (2.9%), public affairs managers (31.2 %) and sponsorship managers (2.2 %). The percentage (12.1%) for middle managers in American respondents includes middle managers (12.1 %) and public affairs managers (6.1 %).

162. Philip Stanworth and Anthony Giddens, "An Economic Elite: a Demographic Profile of Company Chairman," in Philip Stanworth and Anthony Giddens, *Elites And Power in British Society* (Cambridge: Cambridge University Press, 1974), pp. 81-101; Richard Whitley, "The City and Industry: the Directors of Large Companies, their Characteristics and Connections," *ibid.*, pp. 65-80; Michael Useem, "Pathways to Top Corporate Management," *American Sociological Review*, 51, 1986, pp. 184-200.

163. Thorstein Veblen, *The Theory of the Leisure Class, op. cit.*

164. Quoted in Louisa Buck and Philip Dodd, *Relative Values or What's Art Worth?* (London: BBC, 1991), p. 63. Thomas Hoving was the director of the Metropolitan Museum of Art in New York from 1966 to 1977.

165. Joseph Galaskiewicz, *Social Organization of an Urban Grants Economy, op. cit.*

166. Quoted in Michael Useem, *Inner Circle, op. cit.*, pp. 122-23.

167. For example, to look at the list of sponsors in late 1988, there were Bovis Construction Ltd., John Laing Construction Ltd., Sir Robert McAlpine & Sons Ltd., Roy Properties Ltd., City Acre Property Investment Trust, Jones Lang Wootton, Romulus Construction Ltd., to name but a few.

168. Pierre Bourdieu, *Distinction, op. cit.*

169. Paul DiMaggio and Michael Useem, "Social Class and Arts Consumption," *Theory and Society*, 5, 1978, pp. 141-61.

170. "Sponsorship's Decade of Growth," *Classical Music*, 290, 21 December 1985, p. 1.

171. According to Mark Schuster, tax incentives are essentially the same for charitable contributions and business sponsorship: "You can either deduct as a business expense or deduct as a corporate contribution, and, basically, it does not make any difference to the corporate bottom line;" see "The Non-fungibility of Arts Funding," in Harry Hillman-Chartrand, ed., *The Arts: Corporations and Foundations*, Canada Council, Arts Research Seminar 4, September 1985, p. 46.

172. Sponsorship is a legitimate business expenses and thus tax deductible in calculating the trading profits of the business, if the expenditure is "wholly and exclusively for the purposes of the trade, and is revenue, as opposed to capital, expenditure;" see *Business Support of the arts: A Tax Guide* (London: Arthur Andersen, 1991), p. 17. See also *Giving to Charity: How Business Can Get Tax Relief* (London: Inland Revenue, 1993), p.6.

173. Although arts sponsorship could be set against tax deduction before the 1980s, it was the Thatcher government that sharply focused on this particular aspect. In the early '90s, tax inspectors in Scotland and Manchester decided that, as arts sponsorship was for promotional purposes, arts organisations should be classed alongside advertising agencies and PR consultancies as business operations, and were liable to Corporation Tax on their sponsorship income. The Scottish Chamber Orchestra and the Halle were requested to pay 35 per cent of tax on their sponsorship revenue, and liable to be backdated many years. The demands were repealed through the intervention of arts ministers; Antony Thorncroft, "Tax Inspector Looms," *The Financial Times*, 3 December 1990, p. 17.

174. It should be noted that questions like this involve elements of social desirability, and utilize vague quantifiers such as "very important;" the responses are not to be taken as the absolute standard.

175. The question, of course, has no absolute standard of accuracy; understandably companies tend to emphasise more, rather than less, the degree of success of their sponsorship. But it is against the background of what they perceive as the rationale for launching sponsorship that the percentage derives its validity.

176. Mark Potts, "How Big Oil Got its Image Smudged," *The Washington Post*, 16 September 1990.

177. According to Conference Board, printing and publishing corporations provide the highest proportion of their charitable contributions, 20.4 % to culture and the arts; financial institutions provide 19.3 % of their contributions; and petroleum and gas companies provide 18.4 %. But in terms of the total amount of money, petroleum companies are the largest contributors; see Kathryn Troy, *Annual Survey of Corporate Contribution*, 1983 edition, report no. 833 (New York: The Conference Board, 1983), p. 30. Quoted in J. Mark Davidson Schuster, "The Non-Fungibility of Arts Funding," in Harry Hillman-Chartrand, ed., *The Arts: Corporations and Foundations*, *op. cit.*, p. 12.

178. The New Displays sponsorship was started from January 1990 to continue for three years originally. The Tate Gallery was given £300,000, the largest sum ever given by BP in arts sponsorship, and the largest sponsorship ever received by the gallery; see *absa Bulletin*, Autumn/Winter 1989, p. 14, and Spring/Summer 1991, p. 13. In addition, BP also sponsors a new Tate Gallery guidebook in five different languages with the BP logo in the centre of its cover.

179. For example, when asked why Philip Morris concentrated more on sponsoring visual arts than performing arts, Frank Saunders, its then vice president, admitted: "It may have something to do with the fact that we are not allowed to advertise on television;" see Amcon Group, Inc., *Seminar on Business Support of the Arts*, 3 June 1981, New York, p. 59

180. For instance, in 1981 the BBC, which is not allowed to carry advertising, broadcast 72 hours of Embassy snooker, 36 hours of State Express snooker, 33 hours of John Player cricket, 20 hours of Benson & Hedges golf, 11 hours of Embassy darts, 9 hours of State Express golf; see Peter Taylor, *Smoke Ring*, *op. cit.*, p. 104. For discussion of tobacco sports sponsorship, see Peter Taylor, *op. cit.*, pp. 99-113.

181. Accoding to Peter Taylor, a minute of network television time for Embassy snooker cost Imperial Tobacco about £50 (calculated on the £75,000 needed to stage the event and the prize money of £250,000). But to take a minute commercial at peak time, if the company were to be allowed to buy it, would cost Imperial about £140,000. See Peter Taylor, *op. cit.*, p. 104.

182. Quoted in Peter Taylor, *op. cit.*, pp. 104-5.

183. Bill McAllister, "Philip Morris's Hometown Lobbyists," *The Washington Post*, 9 August 1990.

184. Mervyn Rothstein, "Uneasy Partners: Arts and Philip Morris," *The New York Times*, 18 December 1990, p. C15 and C20.

185. For example, the contributions made to Black groups, such as the Associated Black Charities, Black Women in Publishing and the United Negro College Fund, were classified as "sensitive" information and for internal use only. According to Joseph Cherner, president of a group called Smoke Free Educational Services: "Blacks suffer the highest rates of tobacco addiction and the highest rates of smokers cancer of any group in the country;" see Bob Herbert, "Tobacco Dollars," *The New York Times*, 28 November 1993.

186. Cultural Affairs Department, Philip Morris Companies, *Philip Morris and the Arts: 35 Year Report* (New York: Philip Morris Companies, 1993).

187. Quoted in Robert Metz, "The Corporation as Art Patron: A Growth Stock," *Artnews*, May 1979, p. 45.

188. Sam Hunter, *Art in Business*, *op. cit.*, p. 84.

189. Philip Morris Companies, *Philip Morris and the Arts, op. cit.*, p. 8.

190. Deanna Petherbridge, "Patronage and Sponsorship," *op. cit*, as in note 1 above, p. 10.

191. Quoted in Rick Rogers, "The Ethics of Sponsorship," *Arts Express*, June 1986, p. 10.

192. The LSO was sponsored by Rothmans' Peter Stuyvesant, the London Philharmonic by Imperial's John Player, and the London Philharmonic Orchestra (LPO) by British American Tobacco's (BAT) du Maurier. BAT Industries announced in 1980 that it was giving £600,000 to the LPO (representing 20 percent of the orchestra's income at the time) over two years in a deal to promote its du Maurier brand of cigarettes at a time when Government was tightening its control over cigarette advertising. In exchange for BAT's money, the Philharmonic promotional literature and posters were transformed into de Maurier red and silver colours; see Victor Head, *Sponsorship* (Cambridge: Woodhead-Faulkner, 1981), pp. 59-62.

193. Joanna Gibbon, "Sponsorship: Profit or Loss?" *Antique Collector*, May 1990; "Arts Beat Sports for Successful Corporate Hospitality," *absa Bulletin*, Autumn 1991, p. 6.

194. J. Mark Schuster pointed out that, although these figures reflect biases in corporate support, they cannot by themselves be absolute. Other variables have to be taken into account: firstly, the distribution of arts institutions in the United States (are there more museums than orchestras?), and secondly, the relative budgetary sizes of these sectors (whether it is more expensive to run a museum than another arts organisation); see J. Mark Davidson Schuster, "The Non-Fungibility of Arts Funding," *op. cit.*, as in note 179 above, p. 10.

195. See Association for Business Sponsorship of the Arts, *Business Support for the Arts 1993/94*, London, 1994.

196. It is impractical, if not impossible, to further distinguish museums of contemporary art from art museums of other historical periods. For instance, although it has a strong focus on modern and contemporary art, the Tate Gallery also includes a historical collection of British art.

197. The attendance figures cannot of themselves be the absolute standard of popularity of the museums. Other variables such as the size of the museum, opening hours, or the temporary exhibitions in one particular year can have an impact on the figures. However, the Science Museum and Victoria and Albert Museum are comparable in many ways, not least for their close proximity. In contrast to its lower attendance, the V & A indeed had larger Government grants (£21,525,000) and staff (665 posts) than the Science Museum (£16,632,000 and 587 posts respectively) in 1987; see Museums and Galleries Commissions, *The National Museums, op. cit.*, pp. 40-44.

198. For a detailed discussion, see Paul DiMaggio, Michael Useem and Paula Brown, *Audience Studies of the Performing Arts and Museums: A Critical Review* (Washington, D.C.: National Endowment for the Arts, 1977).

199. An advertisement in a special advertising supplement, "American Business and the Arts," *Forbes*, 28 October 1985.

200. The response rate for American companies is 19.69 percent. For the survey methods and detailed analysis, see Appendix 1.

201. James Odling-Smee, "Refreshing the Arts," *Art Monthly*, 178, Jul/Aug 1994, pp. 20-23. According to Odling-Smee, in Germany Beck's is a "fairly unremarkable beer," but in Britain it is on sale at any contemporary arts event — "not just at events sponsored by Beck's but even at events which have sought its sponsorship and been rejected."

202. Nicola Simmons, "A Party Nobody Will Ever Forgot," *PR Week*, 5-11 November 1987, p. 14.

203. Phil Sayer, "Sponsorship for Art is a Two Way Trip! A Fact Best Not Forgotten..." *Art Line*, 14(6), April/May 1989, pp. 16-18. According to James Odling-Smee, Beck's bier's artist designed labels are not its own invention; Château Lafite Rothschild's bottles once carried labels by Picasso, Braque and Miró amongst others; see "Refreshing the Arts," *art. cit.*, p. 23.

204. Richard Long is another Turner Prize winner (in 1989) in Beck's collection.

205. In a different article, the sponsorship money was reported to be worth £400,000 in 1994; see Simon Tait, "Branding Irons in the Coomercial Fire," *The Times*, 21 November 1994, Business and the Arts, p. IV.

206. James Odling-Smee, "Refreshing the Arts," *art. cit.*, p. 21. Beck's has also sponsored, *inter alia*, dancer Michael Clark's "O" UK tour, the avant-garde Paris theatre group, Théâtre de Complicité and the Canadian theatre director Robert Lapage.

207. Interview, July 1992, London.

208. As in note 209 above.

209. Interview, August 1992, London.

210. Interview, May 1995, New York.

211. Interview, August 1992, London.

212. Interview, August 1992, London.

213. Jeremy Nicolls, "British Petroleum: Case Study," unpublished manuscript, n.d.

214. Victoria Dean Alexander, *From Philanthropy to Funding: The Effects of Corporate and Public Support on Art Museums*, unpublished Ph.D. thesis, 1990, Stanford University, California, p. 91.

215. According to Pat Gilmour, a blockbuster is an "aerial bomb of a type to wreck a block of buildings. By extension, a blockbuster exhibition must be sufficiently cataclysmic to shatter the viewing public;" see "Are Blockbusters Anti-People?" *Arts Review Yearbook 1981*, p. 40.

216. Libet Nilson, "How Will Museums Survive in Tomorrow's World?" *Artnews*, 81(6), Summer 1982, p. 81.

217. Hoving was quoted as saying: "Also I had a big business background through my father and his activities..." His father, Walter Hoving, ran Bonwit Teller and was then chairman of Tiffany & Co.; see Malcom N. Carter, "The Hoving Years," *Artnews*, 76(1), January 1977, p. 37.

218. Hilton Kramer, "The Hoving Era at the Met," *The Revenge of the Philistines: Art and Culture, 1972-1984* (London: Secker & Warburg, 1986), pp. 320-24.

219. Amy Goldin and Roberta Smith, "Present Tense," *art. cit.*, p. 97. According to them, since Armstrong took over, the entire curatorial staff had changed.

220. Although in the field of contemporary art, the size of attendance at blockbuster exhibitions is much smaller than that of old masters or popular exhibitions, certain exhibitions are comparatively popular in their own right. For instance, the Alexander Calder exhibition at the Whitney over three months in the winter of 1976 attracted 300,000 visitors, 30,000 more than the total attendance for the whole year of 1975.

221. Previously she was, among others, Vice President and Manager of the Diamond Information Center at the advertising agency of N.W. Ayer, Director of Promotion and Merchandising at Esquire Publications; see Hilton Kramer, "Up from Bloomingdales?" *Art & Antiques*, March 1988, pp. 109-12.

222. It has to be pointed out that expansionism in the museum world is continuing in the 1990s. The most notorious example is Thomas Krens at the Guggenheim in New York. At one time his grand scheme of a "Guggenheim multinational," a scale which could only be measured in commercial terms, included a downtown branch in SoHo in New York (which opened in 1992), a Guggenheim (a 780-000-square-foot complex, the largest contemporary art museum in the world) in Massachusetts, in Venice and Milan in Italy (Guggeheim already has Peggy Guggenheim's Venetian palazzo as its extension) and in Salzburg in Austria; see Geraldine Norman, "Thomas Krens's High-Wire Act," *Art & Antique*, 8, Summer 1991, pp. 82-84, 113. The Guggenheim Museum Bilbao in Spain is scheduled to open in 1997.

223. Antony Thorncroft, "Museums and Art Galleries: Journey into a Real World," *The Financial Times*, 11 June 1988.

224. The change in director has to be seen against the background that Alan Bowness's predecessor, Sir Norman Reid, was director of the Tate for some 15 years, only to retire at the age of 64, while Bowness was at the Tate for only 8 years. He left the Tate at the age of 60. When Bowness became director at 52, one journalist wrote that he "has had his eye on running the Tate for at least 15 years;" see Alex Faulkner, "Modern Art's

New Man," *The Sunday Telegraph*, 30 March 1980, p. 71.

225. Elaine Altias, "British Budget Battle: Funding Cuts Mobilize Arts Community," *The Washington Post*, 9 January 1985; quoted in Penelope Cagney, "Can U.S. Fund Raising Help British Arts?" *Fund Raising Management*, 19(8), October 1988, p. 77.

226. According to Waldemar Januszczak, Lord Gowrie was an influential presence on the interview committee of the selection of the new Tate director; see "The Shock of Serota," *The Guardian*, 26 November 1988.

227. *Ibid.* When Serota became director of the Tate, he was only 42 years old, ten years younger than his predecessor Bowness when he became director.

228. Quoted in Deanna Petherbridge, "Patronage and Sponsorship," *op. cit.*, as in note 1 above, p. 17.

229. Ernest Beck, "Nicholas Serota: Getting the Hang of it," *Artnews*, 88(3), March 1989, p. 118.

230. So far the Cézanne exhibition is the most popular, both in terms of the total attendance figure and the average per day (5,109 visitors per day). The Picasso exhibition lasted 82 days, the average attendance per day was 3,617; the Constable show continued for 95 days, with a daily average of 1,783 people. The figures are those provided by the Gallery.

231. Antony Thorncroft, "Recluse Brings Out the Crowds: The Cézanne Exhibition is a Coup for the Tate but Also for London, *The Financial Times*, 10 February 1996, p. 7. According to Thorncroft, First Call, the ticketing agency, charged the booking £8.60: £7 for the ticket plus a £1.60 booking fee. Also to make viewing "comfortable," the Gallery limited entrance to 750 at any one time.

232. Antony Thorncroft, "Shake Up for Pairing Scheme," *The Financial Times*, 2 February 1996, p. 13.

233. Ernest Beck, "Nicholas Serota," *art. cit.*, p. 118.

234. Antony Thorncroft, "Tate Plays for High Stakes — But Has it Got the Winning Card with Bankside?" *The Financial Times*, 28 January 1995, p. 8, and "Millennium Funds the Bankside Tate," *The Financial Times*, 31 October 1995, p. 15.

235. Antony Thorncroft, "Millennium Funds the Bankside Tate," *ibid.*

236. Before Serota's time, sponsorship activities came under the office of Information Services Department; see Christopher Pulleine, "The Professionals: The Tate Team," *absa Bulletin*, Summer 1992, pp. 4-5. According to Pulleine, for over one-and-a- half-years by the time he was writing, the Development had raised £12.2 million altogether for the Tate, Tate North, and Tate St Ives (£2 million from individual donors; £2.9 million from foundations and trusts; £3.7 from corporate sector, including donations and sponsorship and £3.5 from overseas).

237. The Development Office at the Metropolitan Museum had a staff of 22 in 1995, while the Museum of Modern Art had 28 in 1994 for Development, Special Events and Membership.

238. For a full list of the benefits for corporate members, see *Tate Gallery Corporate Membership Programme* brochure, n.d.

239. For example, the Museum of Modern Art in New York has five categories: Leader ($25.000 per year), Benefactor ($15,000), Patron ($10,000), Associate ($5,000) and Friend ($2,500). So does the Guggenheim: Corporate Benefactor ($25,000), Corporate Patron ($15,000), Corporate Partner ($10,000), Corporate Associate ($5,000) and Corporate Friend ($2,500); see Museum of Modern Art, *Services for Corporate Members* brochure, and Solomon R. Guggenheim Museum, *Right Time Wright Place Corporate Membership at the Guggenheim* brochure. The MOMA had about 190 corporate member in 1995.

240. Antony Thorncroft, "Contemporary Backers Feel Safe at the Tate Sponsorship," *The Financial Times*, 5 May 1995, p. 15.

241. Personal correspondence with Tate spokesperson on 18 July 1996.

242. *Ibid.*

243. Coincidentally, perhaps, the most exclusive club in Britain, *The Club*, founded by Dr Johnson and Joshua Reynolds, had a membership of just over fifty people, and according to Jeremy Paxman, it had the "reputation of being harder to get into than the kingdom of heaven;" see Jeremy Paxman, *Friends in High Places*, op. cit., p. 314.

244. Interview, July 1992, London.

245. Antony Thorncroft, "Recluse Brings Out the Crowds," *art. cit.*

246. Amcon Group, Inc., *Seminar on Business Support of the Arts, op. cit.*, p. 59.

247. Leonard Sloane, "Is Big Business a Bonanza for the Arts?" *Artnews*, 79, October 1980, p. 115.

248. "PR-ization of art museums" is a phrase coined by Sherman Lee, former director of the Cleveland Museum of Art; quoted in Victor J. Danilov, "Corporate Sponsorship of Museum Exhibits," *Curator*, 31(5), 1988, p. 204.

249. Quoted in Hans Haacke, "Museums, Managers of Consciousness," in Brian Wallis, ed., *Hans Haacke: Unfinished Business, op. cit.*, pp.69-70.

250. *Tate Gallery Corporate Membership Programme* brochure, p. 5.

251. It was in fact mentioned by an interviewee that they tended to sponsor events near Westminster to maximise the attendance of MPs and politicians. In the event of something unexpected happening, they could then return to Parliament quickly.

252. Tate Gallery, *Cézanne* (London: Tate Publishing, 1996), p. 597.

253. Jeremy Lewison, "New Directions for a National Direction," *Museum Management and Curatorship*, 10, June 1991, p. 201. Commercial art consultants and dealers such as Mary Boone in New York, Sonia Coode-Adams and Anthony d'Offay Gallery in London are also donors to the Tate Gallery.

254. Colin Tweedy, "Sponsorship of the Arts," *art. cit.*, and Caroline Kay, "Getting Credit Where Credit is Rightly Due," *The Times*, 11 December 1992, p. 8. "Advertising broadsheets" was what Derwent May said the arts pages were in danger of looking like, see "Success at Last: the Media Credit Breakthrough," *absa Bulletin*, Autumn/Winter 1989, p.3.

255. David Fishel, *The Arts Sponsorship Handbook* (London: Directory of Social Change, 1993), p. 35; "Sponsorship's Decade of Growth," *Classical Music*, *art. cit.*, as in note 172 above, and Antony Thorncroft, "Identity Crisis," *The Financial Times*, 3 February 1992, p. 11. ABSA has always monitored the credit of sponsors. For example, in the first half of March 1991, ABSA recorded 184 reviews of arts events in the national press. Of them, only 44 were sponsored, of which only 19 sponsors were mentioned in the reviews; see Graham Hughes, "The Art of Sponsorship," *Art Review*, 14 June 1991, p. 7.

256. "Royal Award Call for Arts Sponsorship," *The Times*, 11 June 1980; "Arts — a Commercial Break with Tradition?" *Morning Star*, 11 June 1980.

257. Waldemar Janusczak, "No Way to Treat a Thoroughbred," *The Guardian*, *art. cit.*, as in note 134.

258. The Arts Council went so far to issue a guideline requesting a "decent acknowledge" from its funded arts organisations; see Antony Thorncroft, "An Honest Broker," *Classical Music*, 22 September 1979, and "Two Paymasters for the Arts," *The Financial Times*, 19 March 1980.

259. Brian Angel was director of ART/London 89; see "Success at Last," *art. cit.*, p. 3. A similar complaint was made by Lynette Royle, the public relations manager of Guinness, "But I am fearful that unless people wake up a bit, sponsors for whom publicity is an expressed objective will choose the sports sector as their vehicle in preference to the arts;" see "Credit the Connection," *absa Bulletin*, Autumn 1993, p. 13.

260. Interview, May 1995, New York.

261. Because of confidentiality, the source of the quotation can not be identified.

262. Antony Thorncroft, "Contemporary Backers Feel Safe at the Tate," *The Financial Times*, 5 May 1995, p. 15.

263. Diane J. Gingold, *Business and the Arts: How They Meet the Challenge* (Washington D.C.: National Endowment for the Arts, 1984), p. 40

264. Andy Lavender, "Patronage by Numbers," *The Times*, 12 July 1994.

265. The Pairing Scheme was launched in February 1995 to replace the BSIS (Business Sponsorship Incentive Scheme), which has been discussed in the previous chapter.

266. Meg Carter, "Culture Club," *Marketing Week*, 17 May 1996, p. 64.

267. The show case was permanently closed after it was broken in to in June 1996, and the Institute considered it too much of a risk to restore it. Telephone conversation with Rebecca Preston, Development Officer, on 29 August 1996.

268. Claire Armitstead, "Risky Business," *The Guardian*, 13 January 1993.

269. Mik Flood, "ICA Director's Statement," *Institute of Contemporary Arts Annual Review 1993-95*. The following quotations are all from the same review.

270. O. Impey, "The Toshiba Gallery of Japanese Art and Design at the Victoria and Albert Museum," *Oriental Art*, 33(1), 1987, pp. 95-96; "Editorial," *Oriental Art*, 33(1), 1987, p. 37.

271. When I started to carry out my survey in the winter of 1993, the ICA had only 7 corporate members/sponsors. There were, however, 36 sponsors or members listed in its 1993-95 biannual reports.

272. I intentionally left the question open to encourage responses (the question was: Have you been involved in the programme of the art institution to which you have given sponsorship?). Half of the respondents who did specify, however, did not provide any significant answer other than mentioning the organisations they sponsored. This difficulty is inherent in the nature of a survey; people do not really have a lot of time to complete questionnaires.

273. Alys Hardy, "Luce Vows 'No Artistic Interference,'" *The Stage*, 11 May 1989, p. 2.

274. Federic Jameson, "Postmodernism and Consumer Society," in Hal Foster, ed., *The Anti-Aesthetic: Essays on Postmodern Culture* (Seattle: Bay Press, 1983), p. 113-18.

275. Robert Hewison, "Out to Change the Message on a Bottle," *The Sunday Times*, 28 May 1995, p. 10.

276. Paul Goldberger, "Philip Morris Calls In I.O.U.'s in the Arts," *The New York Times*, 5 October 1994, pp. 1, C14. A similar story was mentioned in passing two days earlier in *The New York Observer* but it was too brief to raise any controversy; see "Philip Morris' Blackmail Scam," *The New York Observer*, 3 October 1994.

277. Quoted in Jeffrey Hogrefe, "Secondhand Smoke Hits Arts Angel," *The New York Observer*, 17 October 1994.

278. Jeffrey Hogrefe, *art. cit.*

279. The new law bans cigarette, cigar, and pipe smoking in restaurants which seat more than 35 people, and in the workplace. Smoking would only be allowed in bar areas and specially-vented smoking lounges. This law also includes provisions banning smoking in outdoors sports stadiums and playgrounds; see Pieter Foster, "City Law Targets Secondhand Smoke," *Spring Creek Sun*, 6 January 1995, pp. 3-4.

280. Because of confidentiality, the source of the quotation can not be identified.

281. Personal correspondence with Tate spokesperson dated on 18 July 1996.

282. Barclays Bank spent £300,000 on sponsoring the Constable landscape exhibition at the Tate Gallery in 1991 despite its South African links. The amount of money was briefly reported in Antony Thorncroft, "Tax Inspector Looms," *The Financial Times*, *art. cit.* For BP investment, see "South Africa Move Arouses Little Excitement," *The Financial Times*, 22 February 1990, p. 8, and Paul Abraham, George Graham and Andrew Fisher, "European Businesses Cautious of Returning to South Africa," *The Financial Times*, 9 February 1990, p. 7.

283. Mary Brandenberg, "Sustenance: From the City," *Accountancy*. September 1988, p. 69. This is the only report I have been able to find regarding the donation, and it contains no more than two paragraphs on the Nomura Room. The Nomura Room is Room 17 as it stands now in the Tate Plan of July 1996, although it is not actually marked as such. There is a plate commemorating the donation: "The Nomura Room: The renovation of this room was made possibly by a generous donation from the Nomura Securities Co. Ltd, 1991."

284. Mary Brandenberg, *art. cit.*, p. 69.

285. Nomura International is at No 1 St Martin's-le-Grand, with four street façades; see Martin Pawley, "It was a Year the Construction Boom Hit the Buffers ...," *The Guardian*, 31 December 1990, p. 10.

286. According to Lavinia Dawkins at Nomura, Keith Clarke was director of Corporate Communications at Nomura, but had left office in 1991, before the seminar took place. However, Dawkins had not joined Nomura at that time, nor was she able, or willing, to provide any information on the seminar. Telephone conversation took place on 14 July 1996.

287. Antony Thorncroft, "Identity Crisis," *art. cit.*

288. Antony Thorncroft, "A Trend Towards the Multinational Approach," *The Financial Times*, 9 March 1992, p. 13.

289. Quoted in Matthew Fletcher, "The Art of Patronage," *Accountancy Age*, July/August 1991, p. 9.

290. The spokesperson stated that there was no press release announcing the opening of the Nomura Room. The telephone conversation took place on 16 July 1996.

291. I contacted the Archive, the Library, the Information Office, the Development Office at the Tate, but none of them was able, or willing, to provide any information.

292. Raymond Williams, "Advertising: the Magic System," *Problems in Materialism and Culture* (London: Verso, 1980), p. 193.

293. At the time of writing, foreign capital is funding the Toshiba Gallery for Japanese Art, the Pirelli Italian Garden, the T.T. Sui Gallery at the Victoria and Albert Museum, etc.

294. According to Richard Hamilton, Charitable Giving Programme Manager (Development) at the Tate, the donation was given between 1987 and 1989. The refurbishment of the room was finished in late 1991 (3 October 1991, a date given by Information Office at the Tate), later than originally planned, while the official opening reception was held in March 1992, the reason being that it took time to hang the paintings; telephone conversation with Richard Hamilton on 14 August 1996 (another source from the Gallery stated that the Room was opened in 1991). The version given by Nomura was, however, that the Room was opened in late 1991, but that the official opening reception did not take place until 1992, the time-lag being due to the fact that the company prefered to hold the reception in the Spring. Both sources denied that the later date for the ceremony had anything to do with the scandal in which Nomura was involved at the time. What is strange is that, according to the Tate archive, that there was no press release about the opening.

295. Dan Atkinson, "Japanese Kick-Back Scandal Forces UK Regulators to Check Personal Records," *The Guardian*, 27 June 1991, p. 12; Stefan Wagstyl, "Reforms May Lead to Respect," *The Financial Times*, 5 August 1991; "Brokers Questioned," *The Guardian*, 15 August 1991, p. 11; and Nicholas Bannister, "One-Month Ban for Nomura," *The Guardian*, 9 October 1991, p. 14.

296. "Japanese Finance Chiefs Step Down in Crime and Tax Scandal," *The Guardian*, 25 June 1991, p. 1; Kevin Sullivan, "Tokyo's 'Big Four' Resume Trading after Ban," *The Guardian*, 16 July 1991, p. 12; Kevin Sullivan, "Japan's Mafia Law Takes on £6bn Business," *The Guardian*, 24 July 1991, p. 10, and Stefan Wagstyl, "Reforms May Lead to Respect," *The Financial Times*, 5 August 1991. The total compensation paid by the four biggest securities houses amounted to 128.3 billion yen (about £577,356,000), and the companies were ordered to pay an extra tax bill totalling 9 billion yen (about £40,500,400) for the profits they had concealed between October 1987 and March 1990.

297. Nomura also sponsored a Japanese course at Eton, a grant to the Smithsonian, among others; see Stefan Wagstyl, "Reforms may Lead to Respect," *art. cit.*

298. Dalya Alberge, "The Art Donors," *The Independent*, 25 February 1992, p. 15.

299. BP has placed similar advertisements in art publications such as the *Burlington Magazine* and elsewhere.

300. Victoria Dean Alexander, *From Philanthropy to Funding: The Effects of Corporate and Public Support on Art Museums*, *op. cit.*

301. Robert Hewison, "Out to Change the Message on a Bottle," *art. cit.*

302. Quoted in Robert Hewison, *ibid.*

303. *Ibid.*

304. Kevin V. Mulcahy, "Government and the Arts in the United States," in Milton C. Cummings, Jr. and Richard S. Katz, *The Patron State* (New York and Oxford: Oxford University Press, 1987), p. 313.

305. Richard Luce; "Government Goals," *Greater London Arts Quarterly*, 9, Summer 1987, p. 11.

306. Trades Union Congress, *The TUC Working Party Report on the Arts* (London: TUC, 1976), p. 30.

5

SHOWCASES OF CONTEMPORARY ART WITHIN CORPORATE PREMISES

The business world's exploitation of the arts in both Britain and America does not stop at the increasing appropriation of art museums and galleries as their public relations agencies. Not content with passively waiting to be solicited to make contributions to art museums, the corporations of the '80s strenuously strove to become legitimate and active participants in the contemporary art world.

The modern corporations, armed with their own curators and art departments, have vigorously emulated what was formerly the prerogative of art museums. They hold exhibitions, establish new art galleries, and their corporate premises are sometimes even hosts to a branch of a "public" museum. Over the last decade corporate art collections have been established with ever increasing frequency, following an initial surge in the 1970s. To champion the grand image of art patrons, these corporations have also organised and toured their art collections throughout the country and abroad. Last but not least, they have actually themselves *organised*, as well as sponsored, art awards, extending their aggressive tentacles right into the art reward system. Central to these ventures is the assumption that corporations can and should act as if they were part of the cultural establishment. Though these awards are often particularly important, as in the case of the Barclays Young Artists Award and the Prudential Arts Awards in Britain, space does not permit us to analyse them further here. While the next chapter will deal with corporate art collections in Britain and America, the present chapter will consider principally the galleries which have been established and the exhibitions that have taken place within corporate premises.

5.1. Branches of Public Museums within Corporate Premises

Unlike the sponsorship of exhibitions organised by art institutions, where the sponsor's presence is temporary and their rôle limited, a corporation gains substantial control of an art institution when it incorporates a branch of it as a tenant. Nor does the corporation have to strive for publicity and recognition as it does in other arts ventures. Maximum publicity is automatically generated as the name of the company and that of the institution, for example, "the Whitney Museum of American Art at Philip Morris," become inseparable.

This phenomenon, for various reasons, is a peculiarly American style of corporate intervention, confined to heavily built-up metropolitan centres such as New York City. Nothing entirely comparable yet exists in Britain.[1] This is primarily because the sheer scale of the financial commitment necessary for this form of arts sponsorship has ruled most players out of the game.[2] Also, the built environment of New York is much more conducive to this sort of corporate adventure than that of London, primarily because of the considerable tax gains offered to real estate entrepreneurs by federal and state governments, not to mention the substantial planning incentives granted by city authorities. As the practice of using art as a common currency pushes the alliance of art and commerce to the ultimate level of intimacy, this phenomenon is all the more significant despite its limited application.

No art museum has identified itself so thoroughly with corporate America than the Whitney Museum of American Art in New York.[3] The first branch of the Whitney was opened in 1973 in the Wall Street district, supported by the Lower Manhattan business community. The rationale was then, according to its education officer David Hupert, "to reach out to more people with more exhibitions."[4]

However, the Whitney branches mushroomed so vigorously that by the end of the 1980s it already owned four branches, notoriously nicknamed by the *New York Times* "the McDonalds of the museum world."[5] In addition to the one in lower Manhattan mentioned earlier, the Whitney opened a branch in Fairfield County, Connecticut, in

1981, supported by the Champion International Corporation. Then, in 1983 and 1986, it opened another two in mid-town Manhattan, sponsored by Philip Morris (figs. 5-1 and 5-2) and the Equitable Life Assurance Society (figs. 5-3, 5-4 and 5-5) respectively. In 1988, the Whitney also relocated its first branch to the Federal Reserve Plaza, where it was hosted by the developers of the Plaza, Park Tower Realty and IBM.

Initially, this conspicuous and ostensibly disinterested hospitality extended to an art museum within commercial premises may seem difficult to explain. Actually, however, it serves the material interests of the businesses concerned who are able fully to capitalise on the social status and value which come with the continuous presence of the "high art" institution within its territorial confines. Moreover, what underlies this symbiotic relationship between the Whitney and its corporate landlords is a real-estate strategy. Without wishing to digress, one has only to look briefly at how the zoning resolutions regulate the construction of skyscrapers in New York City.

The three Whitney branches in New York were located at the base of office towers within special districts of high-density commercial zones, namely Midtown and Downtown Manhattan, areas in which the City planning authorities sought to encourage development through special zoning concessions.[6] One of the "bonus zoning" concessions is that, as long as the builder agrees to provide "public amenities" at the site containing the building, the developer is allowed up to 20 percent extra floor area to increase the height of the building.[7] If the developer sets aside 1,000 square feet for "public space" in a tower, for example, he could add an extra 10,000 square feet or more to his building, depending on the ratios of bonus floor area and the basic floor area allowed.[8] This substantial zoning bonus, more than anything else, helped to shape the elaborate corporate atrium and the lobbies of Manhattan skyscrapers as we know them today. To quote Paul Goldberger, the *New York Times* architecture columnist: "So these plazas are not really a gift to the people from the buildings' owners — they are much more a gift from the city itself."[9]

Should the zoning bonus be an insufficient inducement, companies can gain various tax benefits from federal, state and city governments. A real-estate benefit may be provided indirectly, according to Marisa Lago, General Counsel at the Economic Development Corporation in New York, "since creating such a public space could reduce the assessed value of the building, thereby resulting in lower real-estate taxes."[10] And above all, companies can write off the expenses incurred in operating the branches by counting them as corporate contributions when computing tax returns to the Internal Revenue Service for corporation tax purposes.[11] This direct tax benefit from the federal coffers results in a further tax deduction from the New York state government, since the state's entire income is based on taxpayers' federal taxable income.[12]

To incorporate a branch of an art museum within this bonus-yielding public space is arguably a logical development from what these corporatised indoor plazas came to represent in the early '80s. As Suzanne Stephens pointed out, what the arts programme was to Equitable in the 1980s parallels what up-scale restaurants and cafés were to Citicorp in 1970s.[13] While the public amenities provided by the shops within the Citicorp tower did indeed attract people, they also drew in a growing number of New York's ever-present homeless. This would be even more problematic for the Equitable headquarters, since it is located on 7th Avenue and intrudes upon a derelict area of the city only a few blocks north of the squalor of Times Square. At the same time as obtaining substantial extra floor area from the City, corporations can best safeguard their so-called "public space" (figs. 5-6 and 5-7) against undesirable intruders and wayfarers by the means of the grand hall of an art museum.

The phenomenon of the Whitney branches is illuminating in indicating the extent to which an art institution can be a comfortable bedfellow with corporate America. The Whitney's courtship with the Equitable was the most glamorous and highly publicized event of its kind, if for no other reason than the Equitable's $7.5 million expenditure on its art enterprise. In addition to establishing the largest of its branches in the Equitable building, the Whitney also lent its curators to the company as consultants on the commissioning of works for its public spaces (figs. 5-8, 5-9 and 5-10) and the purchasing of paintings for the exclusive executive dining rooms in its headquarters (fig. 5-11).

Until the construction of its new headquarters, the Equitable, the nation's third largest life-insurance company with assets at that time of $77 billion, had not been a household name in the art world. Their motivation for venturing into fashionable art patronage in 1986, apart from its being a highroad to the refurbishment of its corporate image, was first and foremost a real-estate investment.

According to Benjamin D. Holloway, the key figure behind the Equitable venture, in order to lease out two-thirds of the space of the Equitable building, the Whitney branch itself and the art works displayed in the building, along with other amenities, was "a way of attracting the kind of tenant we want, at the rental prices we are asking."[14] Vividly catching the essential motivation of the Equitable's marketing strategy, the *New York Times* headlined its article "Equitable Seeking Park Avenue Rents on Seventh Avenue."[15]

Both sides involved in these deals were fully aware of what they had to sell. As Thomas Armstrong, the then director of the Whitney Museum, put it: "We represent contemporary art," and it is a "product that most museums don't have." Conscious of the value of the Whitney card, he revealed in the same interview: "The prestige that we bring to them [the corporation] is significant, and we want to be compensated for that."[16] If his corporate patrons have any serious doubts about the value of what is being offered, he is quick to remind them that the prestige of the Whitney can be easily measured in dollar and cent terms by comparing it with commissioning advertisements from Madison Avenue. With the same, or even much less, money, the Whitney puts the corporation in an editorial context which endows it with a non-commercial and benign image while at the same time disguising its profit-oriented business nature. None of the Madison Avenue super agencies can achieve such a magical effect.

Despite all its efforts to sell the prestige of its name, all the Whitney gets in return is simply money and space. But the ultimate question is: what use can be made of this additional space maintained by corporate funds? And crucially, is curatorial independence up for sale when a museum is willing to let itself be so exploited? The Museum is quick to deny the possibility of censorship being exercised by its corporate patrons. To quote Tom Armstrong: "Contractually we will not let the corporate sponsor in any way determine our program."[17] While stating that the Whitney is "entitled to do whatever they want to do," Mr Holloway does not hesitate to define the Equitable's position: "I would be the last person in the world to censor them. But I'm responsible for what I do, and they're responsible for what they do, and if they do something irresponsible, they have to take the consequences."[18] If censorship there is, then it is more a question, perhaps, of self-censorship.

Censorship, of course, works both from without and within. This is not to say that the Whitney branches would not mount any exhibitions touching on anything controversial. Once, for instance, the Whitney branch at Philip Morris held a travelling show of the early twentieth-century radical magazine *The Masses*. Within the boundary of the corporate environment, however, curatorial autonomy is very circumscribed, if it has ever existed at all in a meaningful way. Can the Whitney mount an exhibition, say, of Hans Haacke's exposure of the speculation and manipulation of the real-estate market by the Equitable Real Estate Group, similar to the one he created in 1971 on Manhattan real-estate holdings and which was cancelled by the Guggenheim Museum? Or can the Whitney present a show exposing how Philip Morris is exporting life-threatening high-tar cigarettes to the Third World at a time when their domestic sales are declining as a result of the continuing anti-smoking campaign in the United States?[19] Josephine Gear, a former director at the Philip Morris branch, while making clear that Philip Morris did give her a free hand generally, commented: "Philip Morris wouldn't tour any exhibitions touching on smoking."[20] However liberal the corporation would like to project itself as being, exhibitions which confront the host company in any way would be kept out of corporate premises. The exhibition *(un)Making of Nature*, for instance, which was scheduled to tour to the Champion International branch in addition to the Philip Morris and Downtown branches, was cancelled. This was primarily because the paper box in the work by the artist Michael Paha, *Drawing for Timeline*, a work concerned to show how technology disrupts natural processes, happened to have been produced by Champion International and had the company label on it.[21] Critical comment on the environmental issue in the exhibition offended the corporate sponsor. To suggest that as a corporate tenant the Museum can maintain its curatorial independence without sanitizing its exhibitions either politically or socially is simply improbable.

5.2. Art Exhibitions and Galleries within Corporate Premises

We [must] demonstrate... that patronage is just another aspect of the marketplace, another move you make there to sell your products and services and enlarge your share. — Herbert Schmertz, director, Mobil Corporation[22]

Given the enormous amount of money involved, only big multinationals such as Equitable, Philip Morris or IBM could afford to play the branch game. Without being left behind, more and more firms are on a smaller scale devoting part of their precious office space to art exhibitions, or establishing art galleries of their own within their premises. While some firms are still striving to obtain recognition for their efforts, the more adventurous are already able to permeate through the art network to be listed as art venues alongside gallery listings in the media.[23] If corporate names sandwiched between those of art galleries may seem to be out of place and an anomaly, they show how eager companies have become to be identified as patrons of the arts.

What distinguishes these exhibitions from those organised by the so-called corporate museums of earlier decades is their content.[24] While a corporate museum displays exhibits obviously related to the history or operations of the company, such as Harvey's Wine Museum in Bristol in Britain, owned by the wine merchants John Harvey & Sons, those exhibitions held within commercial space in the '80s were mainly of arts or culture in its broad sociological sense.[25] They were almost entirely devoid of any overt reference to the business dealings of the host companies. Even corporate galleries such as the BMW Gallery on Park Avenue in New York could conveniently mount exhibitions of paintings, centred around subjects such as driving, alongside its display of automobiles and motorcycles.[26]

Most of the corporate exhibitions or "galleries" in New York, Washington D.C. and London were established during the past decade. PaineWebber, IBM, Joseph E. Seagram, Lintas Worldwide in New York, Arnold & Porter, Covington & Burling in Washington D.C., Arthur Andersen, Freshfield and the Economist in London. If we use the way in which the exhibition space is organised as a guide, these companies can be divided into three groups. Those best qualified for the "gallery" title are the IBM Gallery of Art and Science, the PaineWebber Art Gallery (figs. 5-12, 5-13 and 5-14) and the Equitable Gallery in New York (fig. 5-15), which, after the departure of the Whitney Museum branch in 1992, was renamed as such and is now organised by the Equitable in-house curator.

What these galleries have in common is not only their properly designated and well maintained space, but also their generous size compared with other operations. The PaineWebber Gallery, consisting of 4,000 square feet, occupies almost the entire ground floor of the PaineWebber Group headquarters on the Avenue of the Americas, while the IBM Gallery, until its recent closure in August 1994, was an 11,000 square-foot exhibition space on the lower level of the then IBM 42-story skyscraper in New York.[27] Given the limited space in central London, no British companies could ever have rivalled these American style corporate projects.

However, the sub-text of the New York headquartered companies' agenda is that, in order to gain extra floor space from the New York City government, the ground floor of the buildings has to be kept open to the public by any means. Both the PaineWebber and the Equitable Galleries, among others, were established as a direct result of the zoning regulations of New York City.[28] Moreover, the expenses incurred in these galleries are tax deductible either as business expenses or as charitable contributions. Built into this corporate engagement, again, is the ambiguous relationship between corporate and public interests. While the corporations own the galleries and keep them open to "the public," under the pretext of corporate social responsibility, the ordinary taxpayers are obliged, unwittingly, to "chip in" to endorse the private decisions of big business.

Important as these galleries may be, their exhibition programs are too catholic and diverse to merit attention from art critics. Exhibitions at the PaineWebber Gallery, for instance, have ranged from *Gertrude Jekyll: A Vision of Garden and Wood*, *Living Maya: The Art of Ancient Dreams*, to contemporary art works drawn from its own art collection.[29] The fact that none of these galleries is exclusively committed to exhibitions of contemporary art does not place them outside the scope of our study. With their strategic location in mid-town Manhattan, these galleries offer cultural institutions a longed-for opportunity to showcase their collections or activities, while at the same time installing the company name as a significant focal point on the cultural map of contemporary American society. In the case of the IBM Gallery, with a staff of seven in its heyday, the ambition was a global one. Its exhibitions were drawn from different continents, making it one of the itinerary stops on the international cultural circuit.

The majority of art-minded companies, such as Arnold & Porter, Covington & Burling in Washington D.C., or Freshfield in London, fall within the second category (figs. 5-16, 5-17, 5-18 and 5-19). They hold rotating exhibitions in their office building without necessarily publicising the space as a "gallery" *per se*. The spaces thus allocated are smaller than those in the previous category, ranging from an atrium to a hallway on premises. Modest as it may be physically, the space is generally separated from the working office, apart from the traffic of everyday office life. The distinction is of significance in that these exhibitions are potentially more accessible to the "public" than the next group of exhibitions which actually take place within the office. Companies can thereby lay a legitimate claim to benefiting the artistic community by holding the exhibitions.

Professional organisations such as law firms are among the most active organisers of changing exhibits in office space within this group, given their specific business needs of direct contact with clients.[30] In addition to having an art collection, the law firm Arnold & Porter in Washington D.C., for example, was also the first firm in the state to start hosting rotating exhibits in office space in the early '80s. It was intended, according to Jim Dobkin, chair of the firm's art committee, to "complement our permanent collection by adding a certain freshness to it."[31]

The third group of companies are those that hold exhibitions in the working office. As a result, art works are mingled with the hurly-burly of office life, inseparable from the interior decor. This group of companies are the most difficult to generalise about, as the rationale for holding exhibitions in this way is very varied.

For some, exhibitions of this kind are a way of decorating the office, with the advantage that the "decoration" can be changed regularly without making any substantial financial commitment. The advertising agency Lintas Worldwide in New York was a case in point. The company placed exhibits along the side corridors of its 42nd floor executive offices at its headquarters in the late '80s. The motivation, according to its curator Margaret Mathews-Berenson, was "to live with the works for a while before deciding to make purchases for the collection" during the period when the company decided to replace its 19th-century paintings and antiques with contemporary art which was considered to be more appropriate for its image.[32]

To a lesser extent this is the case with Arthur Andersen in London. As one of the top accountancy firms in the City, Arthur Andersen not only has a corporate collection of works on paper but also holds four exhibitions a year in the staff restaurant, two drawing on works in the collection and the others from outside loans.[33]

Despite these companies habitually publicising rotating exhibits as part of their portfolio as patrons of art, access to such shows is highly restricted. As might be expected, outsiders will not under normal conditions be allowed to wander freely around a working office. At the other end of the spectrum, the changing exhibits at BMW's showroom on Park Avenue in New York were open to the public, or more precisely, potential car buyers. Calling the showroom the "BMW Gallery," the company attempted to add a psycholinguistic twist to its marketing strategy, energetically using the art works as hidden persuaders to enhance the emotional overtones and social status of their products. In the leaflet for the exhibition *Drive!*, for instance, the company announced (fig. 5-20): "Here, changing exhibits of the products, technology and heritage of Bavarian *Motor Works* will be displayed in the atmosphere of an *art gallery* beside equally stimulating exhibits from various artistic disciplines [italic added]."[34] Central to the successful switch from a gallery of art to one of automobiles is the fact that BMW does not just sell over-priced expensive vehicles; more importantly, it sells distinctiveness and style, which art has always suggested and been associated with. It thus blurs the distinction between art and consumer durables, between what is supposed to be above commodification and that which is first and foremost commodity.

Because of the number of companies involved, the organisation of the exhibitions varies from company to company. Nevertheless they operate in a broadly similar way. Typically companies mount several exhibitions a year, either curated by in-house curators or by outside art consultants on a contractual basis. The exhibits are sometimes drawn from the company's own collection, or more often are on loan from artists, museums or commercial galleries. What characterises these exhibitions above all is their emulation of the practices of art institutions. Companies are not only organising exhibitions, but complementing them with press releases, opening receptions and sometimes even with exhibition leaflets or catalogues to give the show an aura of permanence and scholarship. What for art museums and galleries is an established practice has become for businesses, firstly, the source of corporate entertainment, and, secondly, a device for validating their intervention in the art world.

This is because these exhibitions are operated for the purposes of exploiting the status and social function of contemporary art, as places of social gathering for the firm to entertain its cherished clients in a setting of "high art" instead of inviting them to a chic restaurant. When asked whether there were outside visitors to the corporate gallery, one of the administrators in a Washington D.C. law firm admitted: "I would say no. We don't have a lot of people who just walk up from the street. It's not that kind of thing. It's more a type of targeted group, invitations we send out and certain invitations for each artist."[35]

To promote the image of being an enlightened art patron to their target audience in a suitably lavish way, companies very often invite the artist on show to give a talk on his or her exhibits at the private opening reception, where clients are invited as well as employees. As a matter of fact, the attention paid to the exhibition itself is often brief, at most half an hour before a dinner party. One of the administrators interviewed commented that some of the employees came for the dinner, not for the opening view.[36]

At first sight the corporate gallery seems to provide a new art venue for the public. It is true that galleries like the IBM Gallery or the PaineWebber Art Gallery in New York and the display at the Economist building in London (figs. 5-21, 5-22 and 5-23) are open to the public. However, the majority of corporate galleries are not readily accessible, with some seen only by employees and clients of the firms. The audience of the exhibition is therefore highly selective.

From the artists' point of view, to exhibit their works at corporate premises is an opportunity that most corporate-favoured artists are unlikely to refuse. In some cases they obtain payment and a degree of public exposure. Yet the extent to which artists can be helped financially by the resulting sales from the solo or group shows on corporate premises is difficult to calculate. What is certain is that exhibitions of this kind are never intended to be an experimental space or one for articulating any dissenting voice. Nor are they meant to provide an aesthetic experience for the people involved, or at least only incidentally.

The game is pushed to its extremes by the Chase Manhattan Bank, whose hegemonic position in the art world over the past decades has unquestionably been built on its financial power. In order to woo its local artistic community following a period of low profits, Chase utilised the facilities at its Soho branch in New York as an art gallery, reopening with a wide, whitewashed look in March 1985 (fig. 5-24). It was reported that the branch's profit ranking jumped from 185th to fourth. At the opening of the refurbished branch, one attendee was overheard asking: "Is this a bank having a show called 'Art Gallery' or an art gallery having a show called 'Bank'?"[37]

The confusion over the bank-as-gallery or vice versa is not just a question of ideological purity. It is precisely the degree of ambiguity which is at issue here, be it in America or Britain. By emulating the practice of an art museum, the business redefines the boundaries between cultural and commercial institutions and thereby the values that they stand for. By appropriating art that seems to distinguish them from the otherwise mundane profit-making concerns of the business world, companies are recontextualising the works of art housed under their roof and making them their own. No wonder that one of the insiders, William B. Renner, president of Alcoa, could say: "Business could hold art exhibitions to tell its own story."[38]

NOTES

1. The closest parallel is, perhaps, Sir Ernest Hall's Dean Clough Centre in Halifax, which affords free residence and facilities to selected sculptors and artists and which is administered by the Henry Moore Trust. Dean Clough, which also serves as a business centre, has a series of galleries as well as an art collection of its own of over 600 items; see Rachel Barnes, "Dream Factory," *The Guardian*, 3 June 1994, and Stuart Rock, "The Importance of Being Ernest," *Director*, December 1988, pp. 95-98.

2. Speaking in 1986 on the financial arrangements for branches of the Whitney Museum of American Art, the then director, Tom Armstrong, pointed out in an interview: "We're being courted all over the country... And if someone calls me and says, 'Mr Armstrong, I'm developing a building and I want a branch,' then I say, 'Have you got $400,000 a year to spend, plus start-up costs?' That usually stops the conversation;" see William Keens, "Serving Up Culture: The Whitney and its Branch Museums (Interview)," *Museum News*, 64(4), 1986, p. 26.

3. The High Museum of Art in Atlanta, for example, had a branch at the Georgia-Pacific Center, Atlanta, Georgia; see Douglas Brenner, "The Framer's Art," *Architectural Record*, November 1986, pp. 124-31. The Museum of Fine Arts in Boston had a branch in Faneuil Hall Marketplace, which belonged to the Rouse Company; see the museum's annual reports *The Museum Year 1978-79*, pp. 4, 6; *The Museum Year 1979-80*, p. 5, and *The Museum Year 1980-81*, pp. 8-9.

4. William Keens, "Serving Up Culture," *art. cit.*, p. 22.

5. Quoted in Lorraine Glennon, "The Museum and the Corporation: New Realities," *Museum News*, January/February 1988, p. 42.

6. Downtown Manhattan refers to the Wall Street area where the downtown Whitney branch was located. The Midtown Manhattan district is the area between 3rd and 8th Avenues and 34th and 60th Streets where the Philip Morris branch is located, and where the Equitable branch was; interview with Tony Levy, Deputy Director, Zoning Study Group, Department of City Planning, New York City, on 3 May 1995.

7. Bonusable public space includes "open plazas", "through block arcades" or "covered pedestrian spaces." As pointed out by Marilyn Mammano, Director of Zoning and Urban Design, Department of City Planning, New York City: "A branch of an art or science museum is permitted to occupy a frontage along the perimeter of a bonusable public space if it is kept open to the public for the same hours as the covered public space. In most cases, the floor space occupied by such museums is exempted from the floor area computation of these buildings." Personal correspondence with Mammano, on 14 December 1992.

8. The bonus which a developer receives is very substantial: for x square feet of bonus floor area of every square foot of bonus amenities, he can get up to a maximum of 20 percent of the floor ratio. For example, if the developer puts in 1,000 square feet, and the bonus ratio is 10:1, then he will have 10,000 extra square feet of floor area that he can add to his building, provided that is not more than 20 percent beyond what he is allowed for the bonus; Tony Levy, as in note 6 above.

9. Paul Goldberger, "Plazas, like Computers, are Best if User-Friendly," *The New York Times*, 22 March 1987.

10. Personal correspondence with Marisa Lago, General Counsel, Economic Development Corporation, New York City, on 22 April 1993.

11. Interview with Pamela Gruninger Perkins, Head of Branch Museums and Coordinator, Whitney Museum of American Art, New York, on 13 August 1990.

12. Personal correspondence with Mark R. Husted, Corporation Tax Technician II, New York State Department of Taxation and Finance, Albany, New York, on 12 April 1993.

13. Suzanne Stephens, "An Equitable relationship?," *Art in America*, 74, May 1986, p. 118.

14. Deborah Gimelson, "The Tower of Art: Art, the Handmaiden to Real Estate," *Art & Auction*, October 1985, p. 152. See also Grace Glueck, "What Big Business Sees in Fine Art," *The New York Times*, 26 May 1985.

15. Quoted in Roger Kimball, "Art and Architecture at the Equitable Center," *The New Criterion*, 5, November 1986, p. 31.

16. William Keens, "Serving up Culture," *art. cit.*, p. 24.

17. Michael Brenson, "Museum and Corporation — A Delicate Balance," *The New York Times*, 23 February 1986, p.28.

18. *Ibid.*

19. For example, it was reported that domestic consumption of cigarettes in America dropped 4 per cent in 1989 but that U.S. tobacco exports grew dramatically in the mid-'80s. They leapt 25 per cent in 1988; see Pat Widder, "Tobacco Firms' Profits Healthy Despite Anti-smoking Movement," *The Washington Post*, 4 September 1990. According to Bill McAllister, Philip Morris held 42 per cent of the U.S. cigarette market in 1990; see "Philip Morris's Hometown Lobbyists," *The Washington Post*, 9 August 1990.

20. Interview with Josephine Gear, former director at the Whitney Museum of American Art at Philip Morris, on 4 May 1995, and personal correspondence with her on 10 August 1995.

21. *Ibid.*

22. Herbert Schmertz, *Patronage that Pays* (New York: Business Committee for the Arts, Inc., 1987), p. 7.

23. For example, "Washington Square," an office building on Connecticut Avenue in Washington D.C. which regularly holds exhibitions of sculpture, is listed in the local newspaper *Washington City Paper*, or "The Economist" in the bi-monthly listing of galleries in *London New Exhibitions of Contemporary Art*.

24. Corporate museums are a category of museums which have attracted attention from the museum professionals. According to Victor J. Danilov, corporate museums are "a corporate facility with tangible objects and/or exhibits, displayed in a museum-like environment, that communicates the history, operations or interests of a company to employees, customers and/or the public" The Corning Museum of Glass, which is dedicated to the history, art and science of glass, is one example in America; see "The New Thrust of Corporate Museums," *Museum News*, 64, June 1986, pp. 36-47.

25. Visit to the Harvey Wine Museum and interview with Margaret B. Pigott, Curator, Harveys Wine Museum, Bristol, on 17 August 1993. The fact that Margaret Pigott has a public relations background clearly illustrates the nature of the corporate museum.

26. Interview with Margaret Mathews-Berenson on 5 May 1995, an independent art consultant who organised exhibitions for BMW, New York.

27. IBM no longer owns the building; it was sold for an undisclosed sum to the developer Edward J. Minskoff in 1994.

28. The IBM Gallery was an exception. As it was located in the cellar level of the IBM building, it did not receive any floor area bonus or floor area exemption, as it did for the garden plaza on its ground floor; personal correspondence with Marilyn Mammano, Director, Department of City Planning, New York City, on 22 December 1993.

29. Interview with Susan Gyorgy, Curator, PaineWebber Group, Inc., New York, on 9 August 1990.

30. There is no information available to draw any definite conclusion as to which sector of business is the most active organiser of exhibitions in office space.

31. Mary C. Hickey, "Area Law Firms Host Exhibits of Fine Art," *The Washington Lawyer*, 1989, pp. 18-20.

32. *Corporate Artnews*, 3(10), February 1987, and *Corporate Artnews*, 8(8), December 1991.

33. Interview with Nigel Frank, assistant for curator Glenn Sujo, Arts Guidelines, on 3 April 1995, and personal correspondence with him on 25 August 1995.

34. See the leaflet for the exhibition *Drive!*, published by the company. It was held between October 1988 and March 1989.

35. Interview with Josselyn Neukom, Legal Assistant, Arnold & Porter, Washington D. C., on 31 August 1990.

36. Interview with Melissa Busby Fernlund, Manager of Space Planning and Programs, Covington & Burling, Washington D.C. on 5 September 1990, and my personal observations made while attending the lecture by the photographer Steve Gottieb at the opening view of the exhibition at the firm on 27 September 1990.

37. Lorraine Glennon, "The New Patrons," *Art & Antiques*, May 1986, p. 108. With the success of converting the SoHo space into a *bank-as-gallery*, the bank further relocated the branch to Broadway in 1990. It occupies 5,000 square feet of renovated warehouse space, specially designed to showcase new acquisitions of Chase's art collection, which changes three times a year; see *BCA News*, May/June 1990, p. 5.

38. This sentence was quoted in one of Hans Haacke works, *Alcoa: We can't wait for tomorrow*, in Brian Wallis, ed., *Hans Haacke: Unfinished Business* (New York: The New Museum of Contemporary Art, and Cambridge, MA: M.I.T. Press, 1986), p. 197.

6

CORPORATE ART COLLECTIONS

The Reagan-Thatcher decade witnessed a burgeoning of corporate art collections in the United States and the United Kingdom. Not only did the number of corporate patrons from across the whole spectrum of business increase over the decade, but also the magnitude of corporate collecting was such that it brought about a sea change in the kind of artworks being collected and the way in which they functioned in the business context. Nowhere are the changes more apparent than in the phenomenon of business patrons who collect contemporary art in a deliberate and calculated way hitherto unknown. To quote a lawyer who was actively engaged in collecting for his law firm in Washington D.C.:

> We were really looking to create a collection that was very much a contemporary collection, that would reflect the fact that our law firm was not only on the cutting edge of legal development, but also on the cutting edge of the art world itself.[1]

What has the business of contemporary art to do with that of a law firm and why is a law firm motivated to be "on the cutting edge of the art world itself"? This uncanny alliance of two unconnected worlds is, however, entirely characteristic of corporate intervention in contemporary art during the Reagan and Thatcher decade. At the end of the Reagan administration, American corporate collectors were running their own art departments and organising exhibitions from their collections for touring both in the country and around the world, as if they actually rivalled art museums in importance in the contemporary art world. Comparatively speaking, the British counterpart was a more modest operation, no doubt as a result of the disparity between the different sizes of the companies concerned in the two countries and the different sizes of their two economies. Nevertheless British businesses did play a significant role in their own right in the development of contemporary art.

But in precisely what way is this corporate art intervention related to the broader context of political, economic and social transformation in American and British society brought about by the conservative governments in the '80s? This is a question to which there is no ready or easy answer, since it is far from clear how a general political ethos can directly affect specific cultural development. The radical programme of economic and institutional reform of both the Reagan and Thatcher governments had been modelled on an ideology of commercial enterprise, in which the overriding principle of the free market takes precedence over any other concerns. A wide range of activities previously conducted on different principles, or protected from competitive market forces by means of public funding were relocated within the domain of the marketplace, with these goods or services becoming purchasable commodities. Although starting out as economic reconstruction, this political project increasingly spread into other spheres of contemporary American and British society as the phrase "enterprise culture" became the buzz word of the day.

The case of the British legal services best illustrates how the transformation of British society into an enterprising collective relates to the issue in question, since professional firms are among the most vigorous patrons to have emerged since the 1980s. The legal profession, traditionally regarded as the custodian of the law, is governed by long-established ethical principles; to quote, for instance, the United States Supreme Court on the other side of the Atlantic: "[E]arly lawyers in Great Britain viewed the law as a form of public service rather than as a way of earning a living and they looked down on 'trade' as unseemly."[2] Tradition-bound as it is, the profession with its patrician air and sense of professional *noblesse oblige* has not been able to resist the impact of the Thatcherite Revolution. In 1989 the Conservative Government in its proposal for the future of the legal profession championed the competitive spirit of the enterprise culture in no uncertain terms:

> The [G]overnment believes that free competition between the providers of legal services will, *through the discipline of the market*, ensure that the public is provided with the most effective network of legal services at the most economic price [italic added].[3]

The commodification of legal services brought about during the course of the decade resulted in the provision of legal advice and skill being seen "in terms of its *marketability* as opposed to being a device in the negotiation of justice [italic added]."[4] In response to increasing competition in the market, law firms have had to adopt the previously alien practices of marketing and advertising, practices which, even though they are the mainstay of consumerism in a capitalist economy, are traditionally closed to certain professions in Britain because of the public interest involved. In explaining why his law firm embarked on the project which they named *City Life Art Commissions*, Stephen Whybrow, senior partner at the solicitors McKenna & Co, commented:

> Increased exposure to market forces and competition during the 1980s have resulted in enormous changes for solicitors... Like it or not the practice of law is moving from being a profession to a service business. In 1980 any form of promotion or advertising a solicitor's practice was not only prohibited but considered to be "fundamentally inconsistent with the interests of the public and with the honour of the profession."[5]

The Commissions, in which graduates from London art colleges were invited to participate in an art competition, were launched by the firm "to form a backdrop" to a reception to mark its return to the City of London and ensure that its clients and others in the City were aware of its presence.[6] The event, not by any means the most glamorous of its kind, was not untypical of the way in which art collections, together with arts sponsorship, came to be appropriated by business as a marketing tool in the '80s. The imperative of marketability in the Thatcherite enterprise culture is such that it draws almost every sector of business into its gravitational field, and professional firms, with their traditional practices, are perhaps to be seen as reluctant latecomers as far as jumping on the bandwagon of art patronage is concerned.

6.1 Corporate Art Collections and Tax Issues

But more concrete than this generalised encouragement to enterprise are the tax policies under both governments which, by directly helping business, inadvertently make it easier for businesses to collect art too. These issues, however, are among the greyest and most sensitive areas of corporate art buying. Greyest because there are discrepancies between legal definitions and actual practice; most sensitive because of the actual sums of money involved, and what could amount to frauds involving serious legal and tax complications for the companies concerned. For these very reasons, the discussion that follows can not be as definitive and conclusive as it otherwise might be.

During the course of the Reagan administration, the most relevant tax breaks to encourage companies to invest in works of art were accelerated depreciation[7] and investment tax credit.[8] It was reported in the media that both, in fact, "have provided economic incentives for building company collections."[9] To what extent this is the case, however, is an open question. From the legal perspective, according to an anonymous accountant from the London Office of one of the top international accountancy firms, in order to qualify for these tax concessions, the taxpayer (corporation) must fulfil the following requirements for the property they purchase:

1. The property is used in a trade or business or for the production of income;

2. The property is subject to wear and tear, or decay or decline from natural causes, to exhaustion, and to obsolescence;

3. The property has a determinable useful life and salvage value.[10]

This position is further clarified by the Internal Revenue Service (IRS). To quote Michael D. Finley, Chief of the Branch 3 at the IRS in Washington D.C.:

> Tax benefits such as depreciation, investment tax credit, ... are generally available only if the taxpayer purchases property that has a *limited or determinable useful life*. A work of art (as contrasted with a mere wall decoration) would not generally have a limited or determinable useful life [italic added].[11]

To what extent these legal definitions are actually applied or enforced in real life is, however, not altogether clear. When further questioned, the accountancy firm mentioned earlier stated that "... although it is generally very difficult to meet the criteria for investment tax credit and depreciation, *it is possible to do so* [italic added]."[12] Further asked specifically about the actual or theoretical circumstances under which works of art could be depreciated, the firm refused to provide any further information, and especially significantly this time, the correspondence had to be "approved by" a presumably more senior member of staff than the one who first replied to my inquires.

The evidence both from my interviews with the companies and the questionnaire surveys provide further contradictory evidence as to what can be defined as legal. One accountant who worked for a law firm in Washington D.C. admitted that her firm was in the habit of depreciating their art works for some years in the '80s before she arrived in 1989. However, she was not sure if that was the normal practice at the time or an oversight on the part of the person in charge of accounting at the firm. A different law firm in Washington D.C. also provided the following tax information regarding their art collecting:

> ... Pieces of art are capitalized if they cost more than $500. Pieces that cost less than $500 are not capitalized and are considered simply yearly expenditures. Some capitalized items are depreciated and some are not. Antique furnishings are not depreciated because they are expected to increase in value, as we hope the art will. There is no investment tax credit since 1986. All depreciation is accelerated (7 years for art work).[13]

In my own survey, none of 72 valid replies admitted that tax concessions were important factors for companies in initiating art collecting, as compared with 70.8 percent which did not think it important (see Table 6.1.1). In reply to questions regarding actual tax benefits, 2 and 3 companies respectively out of 72 respondents confirmed that their companies indeed claimed investment tax credit and accelerated depreciation for their art works, while another two of them confirmed that they obtained tax benefits by donating works of art to museums (see Table 6.2.1). Another 3 companies stated that they had included the art purchases as part of business expenses in computing the trading profits for tax purposes (see Table 6.3). Small as the percentage is, the confirmation of the tax benefits for corporate art collecting in the United States during the '80s is nevertheless illuminating and significant. Respondents are, of course, likely to be more reticent as far as answering questions which raise complicated legal problems, and to react more readily to suggestions that their art collections might be socially, rather than financially, motivated. Moreover, the nature of the federal system in the United States means that, in the absence of a uniform law code, different states may well have different laws.

The test of these issues, of course, lies ultimately in cases brought before the courts. While providing me with some general information, Michael D. Finley also pointed out that more detailed information could only be provided "if a particular taxpayer were to request a formal ruling on these issues in connection with a specific transaction."[14] But court cases involving such issues are understandably rare. In the unusual case of *Associated Obstetricians and Gynaecologists P.C. v. Commissioner* in 1983, the commissioner of the IRS determined that the taxpayer, Associated Obstetricians and Gynaecologists P.C. (AOG), was deficient in the payment of their federal corporate income taxes for 1976 and 1977 because the Tax Court determined that the taxpayer, AOG, could not sustain its claim that the works of art displayed in its medical offices were depreciable property and therefore entitled AOG to depreciation deductions and investment tax credits for the tax years in question.[15]

A similar discrepancy exists between the legal position of the Inland Revenue and the actual practice of corporate collectors in Britain. As in the case of the IRS, there is no working definition for works of art in determining tax liabilities in Britain. Rather, works of art collected by companies are considered to have "the status of an asset in the particular business, rather than with [regard to] its significance as a work of art."[16] The tax benefits relevant to corporate collectors in Britain are: (a) if the expenditure for art works is revenue in nature, then a deduction may be available when computing the taxable income, and (b) if the expenditure is capital in nature, and incurred on "plant and machinery," a deduction is allowed against taxable profits over a period of time, that is, through capital allowances.[17]

However, according to two sources at the Inland Revenue, in strict law, art works do not qualify for either revenue expenditure or capital allowances except in the following specific cases.[18] To qualify for the former, the company concerned has to be an art dealer, where works of art are held as trading stock, which is of course not relevant to the kind of companies with which this study is concerned.[19] Moreover, only in certain instances where art works are used to create an 'atmosphere' in order to attract customers, are capital allowances available for companies such as hotels or the restaurants trade or stately homes.[20] None of the companies in this study is in this kind of business.

Although none of the companies in my survey admitted that tax concessions were at all important in their decision to start a corporate art collection (see Table 6.1.2), five companies out of 38 respondents stated that their works of art qualified as revenue expenditure, one of them admitted to obtaining capital allowances for their art works, and one to claiming capital depreciation. Six of them reclaimed the VAT (value added tax) on their art purchases (see Table 6.2.2). Like those in America, these percentages are small, but they nevertheless indicate the same sort of discrepancies between legal requirements and actual practice among British corporate collectors.

To double-check these replies, I interviewed an accountant at the London office of an international bank. There are some 1,300 pieces of art which the bank regards as appreciating assets, and another 1,200 pieces with some worth, but not as valuable. While the Bank does not depreciate the former, it does in the case of the latter as it would with office furniture, and it claims capital allowances for both categories of art works. To quote the accountant concerned, whose comment is confirmed by the staff at the tax department in the bank:

> For tax purposes, ... they [works of art] are treated like any other asset. Whatever our accounting treatment is, they are treated as normal asset purchases, and we get capital allowances, 25 % written down.[21]

How universal the practice of claiming capital allowances for art purchases is it is not possible to determine at this stage, but if companies are allowed to claim capital allowances for art works, the tax benefits accruing to them are without question substantial. If companies choose to sell their art holdings in due course, they are still much better off even if they do it legally and subject their sale to capital gains tax. What this means is that in a capitalist market system money is worth more today than it is tomorrow, and companies are always better off if they claim any tax benefit first. To quote the same accountant:

> If the tax rules allow you a tax benefit in giving you written down allowances, then you would always choose to go the most tax-efficient route, and claim those allowances. Which may in the future year give you an inflated taxable profit, but it is better paying an inflated taxable profit in the year of disposal than not claiming any capital allowances and pay tax on a smaller profit by the time of disposal. If you took the net present value of both scenarios, you'd be better off claiming the tax today and paying a bigger profit in the year of disposal.[22]

At this stage of the research, I have no means of precisely assessing the discrepancies between legal definitions and actual practices when it comes to corporate art collecting, as the issues involved are simply too complex and unclear to investigate further. Statements from chairmen as frank as the following from the pen of Robert Hiscox, are rare:

> When business started to prosper under the penal tax rates of the 1970s it seemed a bit daft to pay high salaries and donate up to 83% to the government, or worse still pay dividends and donate up 98% to be spent by politicians. Leaving hard-earned after-tax profits in the company gave me the perfect opportunity to persuade my fellow directors to let me buy paintings and sculpture...[23]

Understandably companies do not buy art on the sole basis of acquiring tax benefits, but under the Reagan-Thatcher administrations their privileged and dominant position in the contemporary art world is unequivocally reinforced by tax policies, whether or not these happen to be specifically geared toward art investment. Though this is a matter of considerable public interest, barely any criticism of prevailing practices has been voiced.

6.2 The New Art Patrons of the 1980s[24]

It is by no means untrodden territory for American or British companies to "collect art." A history of corporate art collecting, however, depends very much on our notion of what actually constitutes "a corporate art collection." For those who have been involved in corporate art patronage, particularly those with vested interests in this area, there is a tendency to claim a much earlier starting date, as though a particular historical pedigree could endow current practice with some much desired legitimacy. Accordingly, the history of corporate art collecting in America is often dated to the turn of the century when the Atchison, Topeka and Santa Fe Railway first commissioned painters to depict the landscape and people of the American West for use in the railroad's advertising calendars and posters.[25] In subsequent decades companies such as the Container Corporation of America[26] and De Beers Consolidated Mines embarked on similar ventures to add polish to their company's publications.

The earliest example of corporate art collecting, in the sense of the term adopted in this study, is, however, that established by International Business Machines Corporation (IBM) in the late '30s and mid-'40s, a practice in which a commercial institution took on the ambition of a public art museum by emulating the artistic activities of the latter. During this period, IBM formed two collections of contemporary art, "Contemporary Art of 79 Countries," featuring art works by artists from the countries in which IBM did business at that time, and "Contemporary Art of the United States," featuring American artists with two works from each state and territory.[27] The former was displayed at the New York World's Fair and at the Golden Gate International Exposition in San Francisco in 1939, while the latter toured North and South America between 1941 and 1945. Pioneering as it might be, the historical significance of this isolated undertaking should not be overstated.

Similarly, it has for centuries been the *policy*, albeit sporadic, of many British banks to "collect" portraits of their distinguished chairmen or members of the boards, or to commission silver or other precious materials to commemorate specific events (figs. 6-1 and 6-2). Even when they incidentally ventured into landscape paintings, their tastes were very much confined to those of a much earlier era, or, for example, to traditional views of the Thames or St. Paul's (figs. 6-3 and 6-4).[28] In the case of certain industries such as oil and construction, companies have for years commissioned artists to portray their business operations or design posters for use in advertising.[29] Collections of this type, be it in Britain or America, either self-celebratory or business-related in nature, if they can be taken seriously as a "collection" in their own right, dominated, with few exceptions, corporate premises, in particular the interior of the boardroom and executive floor before the '70s in America and '80s in Britain.

Standing apart from this time-honoured tradition, the new breed of business patrons who have emerged since the beginning of the '80s (in Britain this phenomenon gathered momentum in the second half of the decade), however, have a very different outlook. Unlike earlier collectors, they collect contemporary art works, works bearing no direct relationship whatsoever with their commercial day-to-day dealings. And in America (to a lesser degree in Britain), they have taken a more professional attitude to collecting than the earlier collectors, who used to purchase bits and pieces in an ad hoc fashion. Still hidden from public gaze, the works in their hands have been put to work to the best advantage in various publications and sometimes have even been organised into catalogues and exhibitions, in order to generate much needed publicity. The earlier collectors, not wishing to be left out of this trend, invariably had to assume a similar style of art buying. It is this cohort of patrons of a more adventurous type that has constituted a compelling force in the contemporary art world since the '80s.

As the material under consideration for the purpose of this study dates only from the immediate past, there has as yet been no substantial research in this area except for few isolated cases and some journalistic writing.[30] The primary source for a listing of corporate art collections in both countries is the *International Directory of Corporate Art Collections*.[31] At the end of the '80s, more than 1,000 American and 79 British firms had come to be listed therein. While the majority of the firms listed claim to own contemporary art, unfortunately no reliable statistics are available at this stage as to the significant part contemporary art plays in their collections as the listing is necessarily incomplete and lacking in detail. Nor is the information in the *Directory* necessarily accurate[32] and appropriate to this study. The approach of the *Directory* is so broad as to include virtually any company even if it had only a few works, such as, for instance, the Alexander Howden Group in London which boasted no more than six works in their so-called "collection."[33] From a historical perspective, an art collection such as this is not historically significant or sufficient to warrant inclusion in this study.

Partly due to the dearth of secondary sources, and partly in order to exploit the wealth of primary sources, I have had to adopt an empirical approach to this topic, both qualitative and quantitative. For American corporate collections, I visited 25 of them and conducted 23 interviews in New York and Washington D.C. from August to November 1990. For the British counterpart, I visited 41 collections and conducted 33 interviews in London mainly from March to November 1992.[34] To observe the change of the '90s, I returned to visit 4 collections and interviewed 7 people in 1995 in New York and Washington D.C. (see Appendix 3).

To determine the extent to which my conclusions from these inquiries can be applied to other cities in the two countries would require further investigation, but I believe that the phenomenon observable in these cities is more or less representative. While in America New York is a metropolitan city and Washington D.C. has a more intimate character, London, especially the City of London, has the largest concentration of corporate headquarters and thus corporate art collections, given that Britain itself is a very centralised country. To improve the representation, I conducted a questionnaire survey with 289 firms in America and 110 in Britain (for details of the survey methodology and results, see Appendix 2).

As I have visited virtually all the art collections in London except for those few to which access is not available, I am able to refine the definition of what constitutes a "corporate art collection" for the purpose of my survey to make it historically meaningful as a cultural phenomenon. In America, an art collection would qualify as such if the number of art works is not less than 100 pieces or if there is a full-time curator in charge of the collection. The different size of the British economy means that the criteria have to be modified for U.K. companies; here I lower the limit to 50 works provided that the collection contains a certain number of substantial works. And at the time of my survey, unlike their American cousins, none of the British companies had a full-time curator, with the result that this particular criterion cannot be valid for British companies. The discussion that follows will be based on observations from my visits, from (mostly taped) interviews and from the survey. For reasons of confidentiality, no names of the companies or the individuals concerned can be mentioned.

Visits to corporate art collections provide a preliminary but crucial archaeology of how the art works actually function within the corporate ambience. Entering a sleek modern corporate office, the observer is likely to be overwhelmed by the grandeur of the magnificent pieces hung on the wall in the reception area, a practice especially favoured by American companies whose buildings with their enormous (three or four floor high) atriums make it possible to display and valorise art on such a grand scale and use it to overawe the impressionable visitor. The concentration of so many and varied economic activities within the square mile of the City of London, and the fact that buildings do not enjoy the same possibilities of vertical extension of space that the skyscrapers in a metropolis such as New York City confer on corporate headquarters, mean that most British companies have to be satisfied with relatively modest office space and thus correspondingly modest art works in their entrances and reception areas. An exception must, however, be made for those giant multinationals whose operations far transcend national boundaries and geographical limitations. The practice of up-marketing the look of corporate offices is not limited to art works in the accepted sense of the term. Off the reception-area coffee tables have come trade journals such as *Forbes* or *Fortune*, and on have come the glossy monographs of fashionable blue-chip artists or those in the company's own art collection. This phenomenon was particularly noticeable and popular among the law firms which I visited in Washington D.C. in 1990, but somewhat less so in London.

In New York, the corporate hierarchy is encoded architecturally. The chief executive's suites are typically situated on the uppermost floor of a commanding tower, where spacious windows reveal a spectacular view of the Manhattan cityscape and Hudson River. Enveloped within this privileged space, art works, having no more aesthetic presence than wallpaper, are appropriated to the task of reinforcing the ultimate hierarchy of the corporate ladder, displayed in places where they are meant to be glimpsed by busy executives and their wealthy clients who come there to conduct business. Whereas in London the corporate hierarchy is not expressed through physical verticality, it is still the case that the chairman's office and the executive floor have the best, which is to say the most expensive, pieces in their immediate physical environment.

By the 1980s self-styled financial institutions such as banks or insurance brokers were believed to be the most active corporate buyers of art (figs. 6-5, 6-6, 6-7, 6-8, 6-9, 6-10, 6-11 and 6-12). While financial institutions represented 66.7 percent of the British companies in my survey who started their collections before 1980, the corresponding percentage for American companies is 41.0 percent (see Tables 6.4.1 and 6.4.2). However, these percentages, like those presented by others before, are relative and not absolute. Statistically speaking, we know very little about the real percentage of corporate buyers from financial houses in relation to the strength of their position in the economy as a whole, as compared to other industries, especially since the comparison is often made by collapsing a huge variety of different industries within the single category of manufacturing. Nor do we have any precise measure of the extent of the participation of any specific sector in the art market, a line of enquiry which remains to be quantified, always assuming that it is possible to do so.

The high percentage of financial firms engaged in art collecting should, however, come as no surprise. Whether we see it in terms of a post-industrial economy or late capitalism, one of the most marked characteristics of Western economies in the postwar period is the rise in importance of the so-called service sector, in which financial houses occupy the most central position in regard to the overall economic structure. This can be explained in at least two ways. Firstly, in contrast to the earlier period of capitalism when propertied enterprise families played an important, if not the most important, rôle in the economic structure, accumulating capital either individually or as a family, the dominant trend has been the increased concentration of share ownership in institutional investors, that is financial houses including insurance companies, pension funds, investment companies and bank trust departments. As of 1979, for instance, about 70 percent of the stock traded on the New York Stock Exchange was owned by institutional investors.[35] In Britain, the concentration is even more marked. According to John Scott, these financial intermediaries owned about two-thirds of the shares of British companies in the late '80s.[36]

Secondly, by virtue of occupying a central position in the control and circulation of capital in the economy, financial firms are the locus of economic power in the contemporary British and American economies. Through controlling money and credit in their lending policies to other businesses, they are in the hegemonic position of being able to exercise power over other individual firms, industrial sectors and even national economies.[37] In other words, they are not only the big creditors of other corporations, but they also own and administer those companies either through share ownership, or through the business ties established by interlocking directorships between the financial institutions and the top management of other industries. By virtue of this position of centrality within the contemporary capitalist economy, financial firms (and those who lead them) are in a position to make choices that not only impinge directly on the national economy, but also, though less visibly, impact on national culture.

But the centrality of financial firms in the British and American economies cannot of itself explain the important role that they played in art buying during the '80s. With their sharp eyes on speculation, it is only reasonable to assume that the financial houses did not lose sight of the unprecedented and sometimes erratically increasing growth in art prices. The longest bull market in art for the last three centuries stretched from 1940 until 1986 or so,[38] culminating, as it did, in the astronomical sum of £24.75 million paid for Van Gogh's *Sunflowers* at Christie's in London in 1987, and the $53.9 million paid for his *Irises* at Sotheby's in New York in November of the same year. The inflation of prices on the art market was such that in the late '80s Salomon Brothers placed Old Masters paintings (with a staggering one-year return of 51 %) at the top of their annual compilation of rates of return for thirteen different asset categories.[39]

This is not to suggest, however, that the rates of return on art investment are so uniformly high that financial firms are in fact buying art purely for investment. As a matter of fact, the rate of return on art varies according to a whole set of variables such as the reputation of the artists or the year in which it is sold.[40] What sort of return a collection of contemporary art can bring for financial houses is, however, a difficult issue to determine, especially as the period under consideration is the immediate past, which the very few studies carried out by economists on art investment have not yet been able properly to cover.[41] The fact remains that, according to William N. Goetzmann, there has been a high correlation between art and the stock and bond markets in the twentieth century, and returns from the sale of paintings have rivalled the stock market in the second half of the century.[42] The extent to which the art collections held by financial firms can be seen as investments will be ultimately put to the test if and when they actually sell off their collections.[43] The chances of this happening, however, are remote, not only because of the high transaction costs that would be involved, but also because it is clear that art in their hands does indeed serve other purposes than straightforward investment, an issue we shall return below.

Accordingly, the financial sector remained, and has always been so since, the main force in corporate collecting in the 1980s. In Britain, this represented 45.7 percent of companies in my survey, and 36.4 percent in America, with the percentage remaining fairly constant over the last few decades (see Tables 6.4.1 and 6.4.2). Publications on the topic inevitably mention this group of buyers.[44] In *The New Patrons* for instance, a catalogue to commemorate the exhibition on corporate collecting of the same title in Britain in 1992, half of the contributing lenders were from the financial sector.[45] More precisely, almost all of these companies have their headquarters within the square mile of the City of London, the financial heartland of Britain with its enormous wealth and unique financial dominance.[46]

These financial "high-flyers" actually share the stage with three different groups of "new-style" patrons. Most notable among these are professional businesses, such as legal and accounting firms (figs. 6-13, 6-14, 6-15, 6-16, 6-17, 6-18, 6-19 and 6-20). This group of British patrons represents 20.0 percent in my survey and 19.7 percent for American companies (see Tables 6.4.1. and 6.4.2). The seriousness with which these firms took to art collecting was such that one of them in Washington D.C. went as far as to proclaim in its press release announcing an art exhibition at its head office: "Art at Arnold and Porter is *part of the practice* [italic added]."[47] And the extent of their holding was such that one journalist could pun by interchanging the names of lawyers and artists as if the law firm were indeed an art museum. To quote Nancy Zeldis: "It is easy to mistake the 23rd through 28th floors at One New York Plaza for the Fried, Frank, Harris, Shriver & Jacobson Museum of Contemporary Art. That title may seem as unlikely as a law firm called Rauschenberg, Motherwell, Lichtenstein & Schnabel."[48] Similarly, in Britain, it was reported that, for professional firms in the mid-'80s, "getting into art was as easy as bringing out a new glossy brochure. Every self-respecting firm with a fashionable client list to impress was at it."[49] It is no wonder that, by the end of the '80s, such household-name accountancy firms in London as Coopers & Lybrand, KPMG Peat Marwick, Ernst & Young, Arthur Andersen and Price Waterhouse had all jumped on the bandwagon of art collecting.[50]

As we have seen, the competitive edge of the deregulated free market unleashed in the '80s altered the practice and the nature of these professions, in particular in Britain. Although one can argue that the degree of competitiveness in this particular sector is probably no more severe than that in others, the fact remains that lawyers and accountants, the producers of services, have a direct and close contact with their clients in a way that, for example, a company producing household goods will never enjoy.

Intimate contact of this kind with clients has made these professions particularly conscious of the image of the firm, especially the physical impression made on clients when they first visit the office. When asked to explain the purpose of the collection, an office services supervisor of a law firm in London stated:

> I would say the purpose is for the public image of the firm,... They want to get away from the old-fashioned image of the lawyer. Do you know what I mean? Sitting there in his office, with old prints on his wall, that's finished. Now it's the corporate, big business, big deal... We have a lot a lot of people coming in... It's very important that they come in and they are always very impressed.

Moreover, most law and accountancy firms are owned by partners, as opposed to a corporation's faceless shareholders. Since they have to dig into their own pockets to pay for art purchases, and since their personal fortune is thus more at stake in the appreciation or depreciation of art works, their decision to enter the circle of collectors is all the more impressive and revealing.[51] Two highly publicised collections in London are, for example, those owned by the accountancy firms Arthur Andersen and Cooper Lybrand Deloitte, both among the top five accountancy firms in Britain.[52] Although the Andersen collection was started in the late '60s, it was when the firm employed its first curator in 1984 that an aggressive streak was added to its collecting policy and the collection itself took on a new significance. As its then curator Glenn Sujo boasted: "It is a museum standard collection and is not just there to beautify the building."[53]

The second group of art buyers is formed by the manufacturing sector, including retailers, producers of food products and petroleum companies (figs. 6-21, 6-22, 6-23, 6-24, 6-25, 6-26 and 6-27). Unlike the service sector where companies have direct contact with clients, manufacturing industries face a multitude of "anonymous" consumers. In some cases they even have captive customers. For instance, the products of the pharmaceuticals giant Glaxo in Britain are available only on prescription.[54] Lack of direct consumer/provider contact also categorises the conglomerates that dominated the corporate landscape in the '80s. This corporate structure, which fed on the '80s deregulated market of mergers and acquisitions, could, as in the case of Pearson in Britain, for example, combine such diverse business interests as publications, the tourist trade and fine china. In America, the Philip Morris Companies, for instance, not only make their huge profits on tobacco, but also own companies which produce a wide range of consumer goods such as Maxwell House coffee, Philadelphia cheese and Milka and Toblerone chocolates. No ordinary customer, either in the UK or America, is likely to be aware of this sort of conglomerate marketing.[55] Nevertheless the need to keep the company's name in the minds of the major markets cannot be underestimated. As consumers grow more sophisticated, so they are able to interpret consumer brands as part of a wider complex of company ownership, and it cannot be long before they become aware of what insiders refer to as the "meta-brand" of the parent company sheltering behind the multiplicity of different brand names.[56]

Although manufacturing companies as a whole may not be as active on the art market as financial houses, the collections owned by the giants in this sector, such as Joseph E. Seagram & Sons and the Gilman Paper Company in New York, and ICI, BOC and Unilever in Britain, are widely known and acclaimed. This is of course more a reflection of the financial strength of these companies than anything else. In particular those collections in New York are on a much larger scale and more sophisticated in type than those in other cities in America, and they provide an important rôle model for latecomers to the art market to emulate. First of all, the corporations headquartered in New York are generally the leading companies in their respective sectors. By virtue of their economic superpower, it was these companies that pioneered art collecting at a time when the price for the artists of the '50s and '60s was relatively low. Today these collections, which often comprise thousands of works, have a more intensive holding of works by "blue-chip" artists than those formed in the '70s and '80s.

What qualifies them for inclusion in the league of what I refer to as "the new patrons" is, however, not the sheer size of their collection, but the concerted way in which they utilised their collections to emulate the practice of art museums during the '80s. For instance, Joseph E. Seagram, having started collecting in 1957 and having by the '70s established an art department staffed by full-time curators, organised art exhibitions at what they call the "Fourth-floor Gallery" at their New York headquarters, and exhibited sculpture on the wide plaza of their landmark building designed by Ludwig Mies van der Rohe (fig. 6-28). Acting as if it had become a museum in its own right, the company also toured part of their collection to several cities in Canada, completing the exercise by publishing a catalogue, a theme to which we shall return later.[57]

Similarly, Unilever, ICI and BOC are all industrial blue-chip companies in Britain, and their art collections, while nowhere as big as those of comparable companies in the US, are well located on the exclusive art circuit with their contingents of professional cognoscenti. The Unilever collection, which had started to purchase contemporary British art in 1980, had over 300 works by 1991,[58] culminating in a catalogue with the grand-sounding historical title of *Unilever House London Contemporary Art Collection: the First Twelve Years*. In the introduction to this catalogue, Unilever was praised for "[keeping] abreast of the changing climate of the 1980s" in the development of British art.[59]

Although the TI Group art collection was not actually initiated in the '80s, it does provide an insight into the ultimate relationship that corporate art collections sometimes have with the Conservative government. "Recognising the importance of supporting young artists and strengthening the link between industry and the arts,"[60] TI sponsored their own Group Scholarships at the Royal College of Art in late 1992, a scheme which won it a £20,000 cash award from the Business Sponsorship Incentive Scheme (BSIS), which, as we have seen in Chapter 3, had originally been established by the Thatcher Government. As part and parcel of their association with the Royal College, TI started its own art collection, with the aim of "selecting paintings by promising young artists, either graduating or past students from the Royal College of Art, and following their work as they develop over the years."[61] The significance of the BSIS for the Group art collection is explicitly recognised by their inclusion of a reference, on their collection postcard pack, not only to the award as such, but also to the fact that "The BSIS is a Government Scheme" (fig. 6-29). This is in some ways tantamount to claiming political validation for the Company's decision to enter the art collecting market.

The third group of patrons consists of property developers (figs. 6-30, 6-31, 6-32, 6-33, 6-34 and 6-35).[62] As one American writer boldly proclaimed in 1987: "Art has become a hot commodity in development projects, and many developers now perceive it as a necessity."[63] While the trend in Britain is not as pervasive as it is in America, where the National Endowment for the Arts has been in the forefront of advocating "art in public places" since the 1960s,[64] there are many reasons for making developers into a special category of art consumers in both countries. First of all, whether it be in America or in Britain, the motivation of developers to enter the field of art patronage is first and foremost for sales purposes, a motivation that the title of a *The New York Times* article tellingly spells out: "Marketing real estate with art."[65] This is despite the fact that, as a recent empirical study has pointed out, art provision in property development does not actually add short-term value to the buildings in terms of an immediate increase in rental income, but is perceived to be connected to the incremental marketability of a development, the rewards from which are seen in terms of "ease of promotion, and a greater speed of letting or disposal."[66] Unlike other social facilities, such as health clubs, shopping centres or restaurants which have a measurably functional impact on a development, art displays, however peripheral they may be, are part of a wider strategy of what could be termed "quality" enhancement for a development. By displaying what seem to be functionless objects in an apparently disinterested way, real estate entrepreneurs are actually capitalising on the high social status that comes with the possession of 'art.' The value of the art objects that they are exploiting comes from a socially constructed perception in which judgements of utility play no part.

This is particularly true of the two outstanding speculative office developments launched in the decade of the 1980s on each side of the Atlantic, that is, the Equitable headquarters in New York and the 29-acre Broadgate Development near Liverpool Street Station in London (figs. 6-36, 6-37, 6-38, 6-39 and 6-40). The construction of the latter, described by Margaret Thatcher, when she inaugurated the Broadgate complex in 1985, as the largest development in the City of London since the Great Fire of 1666,[67] was only made possible for the developers, Rosehaugh and Stanhope, by the easing of planning restrictions in the City of London in the mid 1980s. This coincided with the prospect of a large increase in tenant demand following the deregulation of the financial markets, and with the easy availability of credit to finance new building projects.[68] Despite differences in scale, Equitable and Broadgate share many common features, one of which is their both being situated in socially diverse areas of the metropolis where affluence and poverty are only a few streets apart.[69] To rescue their properties from the undesirable associations of their environments and to raise the status of the neighbourhood, the developers had to do everything in their power to present a new up-market image, and here art works naturally had an important rôle to play (figs. 6-41, 6-42, 6-43 and 6-44). The success of Broadgate invites parallels with the Rockefeller Centre in New York.[70]

The majority of works invested in by developers for siting in commercial and industrial developments are sculptures, an art form not favoured by most business collectors. Despite the fact that the number of works owned by these developer patrons is much smaller than those in company collections, their monetary value is immense. The dozen or so sculptures in the Broadgate Development, for instance, are reported to have cost the developers one million pounds, far exceeding the initial budget that any British company has spent on art purchases.[71] Similarly, as we have already seen, the art commission at the Equitable Life Assurance Society in New York was reported to have cost the company $7.5 million.

"Big money" is not, of course, the only point that matters here. It is the visual impact that these sculptures, along with their architectural settings, have made on the fabric of the urban landscape, that constitutes their true and lasting value. As a function of the need to make a "quality" statement on the location where they are sited, these sculptures are, more often than not, striking above all by their scale, by their sheer physicality and high visibility in such an unlikely setting as an urban centre. Their vast physical presence holds office commuters as captive spectators, and deprives them of any choice as to whether or not they actually wish to look at them. For instance, one cannot possibly pass Richard Serra's overwhelming "Fulcrum" without being forcibly struck by its five huge rusty sheets of steel, each 60 feet high, straddling one of the exits from Liverpool Street Station (fig. 6-45).

Last but not least, the art objects purchased by developers, unlike those in corporate collections where works are privately displayed in offices, are on "public" display. But, unlike the sort of public art advocated by public art agencies, art works in real estate developments are not "public" in the true sense of the word. Despite the claim made for them that they are "accessible for public viewing," not everyone has equal access to them. In some instances only privileged individuals prove to have access, as in the case of Howard Hodgkin's "Wave" mural displayed in the Broadgate Club at the Broadgate Development. Moreover, public access is often illusory insofar as the objects are actually displayed on "corporatised" public spaces where round-the-clock surveillance operates through hidden electronic systems and the constant presence of security guards throughout the complex.

Beyond these three groups of patrons, there is another phenomenon that is worthy of passing note in the present context. As metropolitan cities, London and New York have a large number of resident foreign companies. These subsidiaries or branches very often possess an art collection if their parent companies back home are themselves active in art collecting. The question that then arises is how such collections are to be categorised. The way in which they operate is a function not of their locus but of their origin. This is especially true in the case of American firms with branches in London. Their collections are determined less by any British context than by policies originating from their parent companies, all the more so in the case of American multinationals which first started the trend of art buying in the United States.[72] As American multinationals globalise the world market, so they export their concept of corporate art collecting. Collections of overseas companies originating from America will reflect above all their own country of origin, with the result that such art collections take on an additional cultural dimension, that of expressing and displaying national pride and identity in foreign environments. Business art, though often self-serving, can also find itself playing an ambassadorial rôle.

6.3 Why do Companies Buy Contemporary Art?

The Role of the Corporate Elite

Among the companies which I personally visited, the chief executive or chairman, or, in the case of professional firms, the senior partner(s), is the pivotal figure when it comes to the initiation of art collections. In my survey, the personal interest of these top management executives in launching a corporate art collection is confirmed by the exceptionally high ranking given to executive personal initiatives: 85.7 percent of American companies and 89.3 percent of their British counterparts grading this particular consideration as "fairly/very important" (see Tables 6.1.1 and 6.1.2).[73] The significant rôle that the corporate élite plays in corporate collections is further confirmed by the fact that it is they who often take the initiative of starting a corporate art collection. More than half of the collections in both the American and British surveys were reported to have been started by the CEO, chairman or managing director of the company (see

Tables 6.5.1 and 6.5.2). It is also they who are often the decision-makers when it comes to actually purchasing the works. 62.3 percent of American companies in the survey and 65.7 percent of British companies reported to this effect (see Tables 6.6.1, 6.6.1A, 6.6.2 and 6.6.2A). These individuals in the top echelons of the company are often reported, in both the press and in the interviews which I conducted with the company staff, as having a great personal passion for art. Despite the many demands and pressures of their administrative timetables, they find time to visit galleries, artists' studios and the principal auction houses, where they sometimes personally make their company's purchases. To quote two of them:

> I say "we" started to buy works of art; I mean that I did, since I was appointed to a one-man committee to do it.[74]
>
> I do enjoy contemporary art and have great fun with it. It's rather pleasant relief from the other activities one gets up to here.[75]

Similarly, a managing partner of a law firm in Washington D.C., who is enthusiastic about his own efforts at creating the firm's art collection described his involvement as being due not only to his position, but also to his "love of art":

> If I don't enjoy doing it, I probably will delegate someone else to do it. You have to put yourself into it. I enjoyed meeting Ms X [their art consultant] and talking to her.[76]

It may seem surprising, at least on the surface, that a senior manager should be so personally involved in collecting, especially if we compare his five-figure art budget with his duties of overseeing a business venture worth, in some cases, billions on the stock market.

The advocacy of these high-powered grey-suited men in a company's foray into art collecting has, however, to be considered within a wider context, that of the way in which, as capitalism develops, high culture functions in society. The "alliance between class and culture," as Paul DiMaggio described it, still, of course, continues,[77] with the modification that, in recent decades, especially the 1980s, this alliance has increasingly become one between business and culture, with corporations replacing the upper classes as high culture's leading patrons.[78] The archetype of the nineteenth-century magnate-collector has ceased to have validity as a result of the gradual decline of family capitalism in the twentieth century. The new company patrons of the 1980s occupy a curiously intermediate position within the development and transformation of family capitalism into institutional capitalism, and find a somewhat anomalous place in the uneasy coexistence of the two within the business community today.[79]

No better example of the transitional phase of this transformation can be found than in individuals such as David Rockefeller. Being in charge of the Chase Manhattan Bank for almost three decades until he retired in 1981, he was at the centre of the financial arm of the Rockefeller empire, a family fortune made by his grandfather John D. Rockefeller in the Standard Oil Company in the last century, which by the 1880s controlled nearly 90 percent of the nation's oil production.[80] While David Rockefeller epitomises the grand persona of the tycoon of a bygone era, he was, at the same time, able to initiate a corporate art collection for the bank in 1959 by virtue of his position at the top of the corporate structure of Chase Manhattan Bank. Many critics see this as a decisive turning point in the history of corporate art.

The majority of the chairmen/chief executives who figure in this study are, however, essentially different from Rockefeller in not having the benefit of inherited wealth behind them. They are professional managers, or what John Kenneth Galbraith calls "industrial bureaucrats," the product of what is commonly referred to as the "managerial revolution," and their aspirations for the companies under their control to become art patrons are therefore realised more through their corporate position than through family lineage. This is not necessarily to suggest that they are not the dominant class in British or American society, or that their interests are always distinct from those of the capitalists, as the theory of managerialism posits.[81] As we have seen in our Introduction, the top managerial world is, and has continued to be, peopled by an economically privileged class whose wealth gives them also social and educational prominence in both countries. A classic example of this is Sir Nicholas Goodison, who single-handedly started an art collection at the former TSB, the sixth-largest UK bank, when he became its chairman in 1989.[82] Sir Nicholas is, of course, not an up-from-nowhere achiever. Born into a banking family, he had worked at the family firm, Quilter Goodison, between 1958 and 1988[83] while at the same time holding several directorships of other prominent concerns, including the top prize of the chairmanship of the London Stock Exchange (1976 to 1988) before he joined the bank.[84]

What makes the case of Nicholas Goodison particularly interesting are the several other hats he wears in the art world, showing a rare versatility which the arts correspondent Antony Thorncroft encapsulated when he described him as "an unregenerate arts committee man."[85] His other hats include the chairmanship of the Courtauld Institute of Art (since 1982), that of the National Art Collections Fund (since 1986), and the directorship of the English National Opera (since 1977, and vice chairman since 1980). Writing about his company's art collection, he chose to entitle his article "Art is Life." Such grandiloquence may well, of course, accurately reflect Sir Nicholas's personal philosophy of life, but it succeeds at the same time in masking a remarkable conflation of the private and the corporate, an appropriation by an individual of the sort of high-sounding rhetoric that no collective corporate body would dare to use to justify its ambitions in the art world.

On the institutional level, a corporate art collection represents a desire on the part of a company to claim an active part, as a distinct and recognisable entity, in the cultural life of contemporary society. Alex Bernstein, chairman of the Granada Group in Britain, acknowledged as much when he said: "I believe that companies have some obligation to take over the role of private patronage."[86] Just as importantly, if more subtly, these chairmen/chief executives, being on an individual level the guiding hands behind their company collections, have also been able to appropriate the social status and value which come with being the head of a company which invests seriously in art, what Bourdieu refers to as the "cultural capital." The parallel relationship between a corporate art collection and the company, and its chairman, highlights the fact that it takes more than the mere whim of the chairman to initiate a corporate collection. The cultural edge that their corporate position earns them means that, in some cases, as these highly mobile and powerful chief executives move from company to company, they start collecting art wherever they preside.[87]

Relocation of Firms

Beyond initiatives from top management, the most determining factor that induces companies to venture into art collecting is the relocation or renovation of their headquarters. In my survey, 79.4 percent of American companies and 62.1 percent of British firms cited this as a "fairly/very important reason" for their launching their art collection (see Tables 6.1.1 and 6.1.2). The building spree of the 1980s property boom, especially in Britain at the end of the decade when there was an over-supply of offices, saw more and more companies moving into new purpose-built office developments. In terms of physical space, there is a fundamental difference between New York and London. London has the highest concentration of company headquarters or head offices of foreign firms, despite the fact that space in London, unlike the rational rectangular sites of New York or Washington D.C. is determined and limited by historical accident, and can neither expand horizontally for physical reasons,[88] nor vertically because of the constrains imposed by planning requirements. The lack of space is particularly severe within the square mile of the City of London, which boasts by far the largest number of domestic and foreign banks of any city of the world. What this means is that whereas the New York collections can afford to go in for exceptionally large canvasses, in keeping with the trend of contemporary art, the scale of works bought by their British counterparts tends to be considerably smaller. Only high-profile office buildings, such as the Broadgate complex, built during the '80s property boom have the sort of large atrium and office space which lends itself particularly well to the display of impressive, large-scale art.

Moving office is an infrequent but significant decision for any company and provides a fitting opportunity to refurbish the firm's corporate image, which can only be enhanced by its choice of a prestigious building.[89] Relocation always entails a huge budget for the purposes of decorating the new offices and here art is considered as an essential component of space furbishment. Out go the fusty architectural prints and legal cartoons;

in come the large bright paintings. As Harry Anderson, the partner responsible for the art collection at the London law firm Herbert Smith when it moved to Broadgate, is reported to have observed:

> We were trying to produce an uplifting environment. It sounds a bit pompous, but that's what we were trying to do.[90]

Enhancing the Working Environment

The most often cited purpose of art collections is to enhance the working environment, for the benefit of the staff as well as of the clients. To quote different companies' own words:

> Windlesham houses an art collection to enhance the visual quality of the building for those who work in it.[91]
>
> Give staff, customers and visitors an opportunity to experience art in a business environment...[92]
>
> ... by displaying work from our collection, we bring enjoyment to our clients and employees, and we enrich our corporate life.[93]

However, these statements of objectives, often made with public consumption in mind, say nothing about how the staff really perceive the collection. There has not been, and will probably never be, any independent survey to examine whether the collection has indeed achieved all its proclaimed aims.[94]

Nor did any real evidence to support these claims come to light during my sixty-five or so visits to company premises in the two countries. The casual conversations which I had with employees lower down the corporate hierarchy more often than not showed the contrary, despite the fact that senior managers who initiated the collections were more than enthusiastic to show me around. The staff, buried beneath piles of papers, were much surprised to see an outside visitor busy taking notes and photographs of art works to which, despite their daily contacts, they themselves felt indifferent. Not being self-conscious and therefore uninhibited by the presence of a tape-recorder, they expressed their opinions more freely than they would have done in structured interviews.

The fact that contemporary art has been removed from the white and blank walls of art museums and placed in the more "congenial" surroundings of corporate space does not necessarily make it any the less difficult to appreciate, or even demystify it, for people who are not at home in the art world. One secretary commented that she could put up with the work in front of her only because she could see her boss approaching from his reflection in the painting's glass (fig. 6-46). Another, commenting on a series of minimalistic works in front of her, ventured the opinion that she could have done just as well herself (fig. 6-47). In some cases the view of the works is actually obscured by filing boxes (figs. 6-48 and 6-49). Lack of appreciation is not limited, of course, to secretaries. A London banker, whom one might not have expected to have had such outspoken views, gave the following appreciation of his firm's collection:

> The money which we have spent on our many pictures has been largely wasted for the tastes of the more conservative employees (myself included). Modern art abounds and it does not really say anything to us and certainly does not cheer us up! Many of us have taken to pinning up our own pictures which we like, to give us something aesthetically pleasing.[95]

As a matter of fact, art in offices can be said only to reinforce the corporate hierarchy; the higher one is on the corporate ladder, the more expensive pieces one gets in one's office, except for more public areas such as the reception lobby where the choicest pictures are naturally hung. Not every company will rehang paintings elsewhere if an employee happens to dislike them. One office manager observed: "If they don't like it, tough!", while the chief executive of a financial firm stated: "It's [the painting] where it looks best. No. It stays there." From an employee's point of view, artworks in the office serve at best as "conversation pieces" for casual chats. Works by Georg Baselitz in one London bank, for example, always invite comments from visitors such as, "Oh, your pictures are hung upside down" (fig. 6-50).

Art as Investment

Considering that financial houses with their keen eyes on speculation are the predominant buyers on the corporate art market, it seems surprising that so few companies actually agree that investment is an important factor in launching an art collection. In the survey, only 14.3 percent of American companies and 10.7 of British companies admitted that investment is a "fairly/very important" factor (see Tables 6.1.1 and 6.1.2). It is, however, paradoxical in a world of profit-making that firms should be so keen to disassociate their collecting from the money-making process to which they are professionally devoted. One of the firms in Washington D.C. was ready to deny that their collecting had any investment incentive behind it: "We've never purchased art as an investment, but rather for the beauty and interest it adds to our workplace."[96] Half of the firms visited in Washington D.C. admitted investment as being *one* of the purposes of their collections. But they were quick to qualify it as one factor, and not the only or the primary reason for their collecting art works.

However, inflated prices in the art markets of the '80s were certainly not lost on corporate art buyers. An article in *Fortune* succinctly entitled: "The big payoff in corporate art" quotes the example of a Gilbert & George photo-collage bought by the First Bank System in Minneapolis for $10,000 in the early '80s and which had appreciated in value to an estimated $35,000 a few years later.[97] It is true that dealing in contemporary art is a much more risky undertaking than trading in old masters, and the British Rail Pension Fund's collection, the only collection in Britain set up purely for investment, has not been willing to take the risk of buying contemporary works.[98] But the other side of the coin is that when rates of inflation are running high, art does indeed provide "reasonable prospects for long-term capital appreciation, at least equal to inflation."[99] In fact senior managers often express their views on art as investment in somewhat defensive terms:

> They [works of art] were not intended as an investment, although they have turned out to be rather a good one.[100]
>
> If you ask me personally whether or not I think in ten years it [the collection] will be worth more money than we paid for it, I think it will. But if you start thinking of paintings as an investment, well, I don't.[101]

The utility of art as investment is also underscored by the fact that, while the sort of "decorative" prints that businesses such as hotels or motels used to purchase will not retain their purchase value, a collection of fine art certainly will. Frank Carioti, curator of Standard Oil of Indiana's collection, put it when explaining why their collection turned out to be a "wise investment":

> So-called "decorator" art is virtually worthless from the moment it's hung on the wall. Fine art has immediate resale value and will probably appreciate in value in time.[102]

Image Making

Even if art were ever to underperform on the market, its attraction as a status-conferring object is perennial. The connection between art, power and social status has been consistent since the Renaissance, and it would be naïve to suppose that the rôle of art in commercial and business environments could be other than status-enhancing. As Paul DiMaggio explains: "[cultural goods] are consumed for what they say about their consumers to themselves and to others, as inputs into the production of social relations and identities."[103] The title of an article on corporate art in *The New York Times* makes the point even more clearly: "Projecting an image — you are what you buy."[104] When ICI, the world chemical giant, completed the renovation of its London headquarters in 1988, it proudly drew attention to its art collection, and the company's glossy brochure boasted:

> We might have chosen safe traditional paintings for this purpose, but we decided instead to capture some of the diversity, challenge and vitality of contemporary British painting, so as to parallel ICI's approach to modern business life.[105]

Marketing the image of an art patron is clearly not the same as a conventional product promotion, which comprises straightforward selling strategies. In a global market of sharp competition where products and services are becoming less and less distinguishable, for a company the only effective means of differentiating themselves from other competitors is to have an "enlightened" corporate image. And art, or the arts in general, is something which is ultimately promotable. As John Hoole states in *Capital Painting*, the catalogue for an exhibition devoted to the City's art-buying companies, in a message directed at corporate non-collectors:

> To those other companies that are not represented here the gallery would like to append a note both of reprobation and encouragement. Some of your competitors have had the insight and flair to recognise the importance of art in the creation of their business image. As Max Bialystock said, 'You've got to have style.'[106]

Even if art collecting can elevate companies above the shabby cut-and-thrust of the business world, collecting contemporary art is no automatic choice. Not every company is willing to take a risk with contemporary art. Contemporary art does, however, have undeniable appeal insofar as it gives access to the fashionable cult of artistic personality as well as enabling a company to project an image of itself as progressive and innovative. As Roy Chapman, managing partner of the Arthur Andersen London office comments: "We have pictures to enhance and enliven the working environment. We are attempting to convey an image that is *contemporary* and *progressive* [italic added]."[107] In London the overall picture is a mixed one. There is, however, a strong bias towards contemporary art, with contemporary art works taking over the boardroom (figs. 6-51, 6-52, 6-53 and 6-54), which used to feature antique furniture and decor (figs. 6-55 and 6-56). Some established merchant banks, of course, inevitably resist the change, seeing in it no doubt as creeping Americanism. In particular in the City of London the old style of business was, and in some quarters still is, conducted on the principle of a relaxed milieu within the old-boy network and the world of gentlemen's agreements.

The essence of this "brand differentiation," so to speak, is similarly observable in American companies, although by and large they are less concerned with traditions and historical associations than their British cousins. While in some instances long-established (which is to say, more than a century old) law firms continue to display antiques and old prints either to reinforce, or project an image of, their sense of history and stability (figs. 6-57 and 6-58), collecting contemporary art works is more generally perceived as progressive and forward-looking. To quote a lawyer in Washington D.C.:

> We want to have art that is in some way consistent with our vision of the time we are living and the future. We did not want nineteenth-century art; we did not want old prints from England... Many Washington law firms have old prints of horses in England on their walls. Well, my own view is that's boring. No one in our firms, to my knowledge, wants to do that. I think it's a mistake for us to do that.[108]

Nowhere are these "bankable images" realised more effectively than in the case of First Bank System in Minneapolis,[109] whose contemporary art collection, started in 1980, generated more media attention than any collection of comparable size. It, for example, made the headlines when it overrode the objections of the American Legion and the local police, and refused to remove an Andy Warhol print of Mao Tse-tung which it was exhibiting.[110] The master patron of the programme was Dennis Evans, known as a bond-market "whiz-kid" (he was former president and chief operating officer of First Bank and had also served on the board of Minneapolis's Walker Art Center),[111] and it was he who declared that the programme was started as one of "several ways to help the ship to deregulate," and "as symbolic of the bank's *aggressive leadership* in the newly deregulated banking industry [italic added]."[112] Over the decade, the Bank launched a series of art programs such as *TalkBack*, *Controversy Corridor* and *You Be the Curator* to "flatten and democratize the power dynamics of people's relationship to art and to each other in the corporate context."[113] According to the Bank's own Visual Arts Program Manifesto [*sic*], the Program is:

> ... an organizational transformation tool, an agent of change which acts as a catalyst for the ongoing examination of this corporate culture... We are involved with some of the most provocative artists working today because we believe that only through active engagement with innovative, critical cultural practices can we progress as an organization and a community in the flux of a changing world... We are committed to forging new, more democratic relationships between people and the art of our time.[114]

In the absence of any first-hand knowledge of the bank, it is difficult to judge what this might really have meant for the bank's employees, for example. The fact remains that the bank thrived on an image of being "controversial" and "progressive," as a company "deeply involved in social change." This policy of espousing the avant-garde no doubt had a certain shock value, but only as long as the phenomenon itself could be contained and was not allowed to offend prevailing susceptibilities. This danger is well illustrated by what happened to the bank's scheduled exhibition *Artside Out*, which it held in conjunction with Film in the Cities, a Minneapolis/St. Paul's arts organisation. Though the information was censored out of the bank's own publications, the second of the two billboard art shows which it sponsored was turned into a *juried* competition, because the bank "balked" at being associated with three of the artists presented in the show, whose works it considered to be "too controversial."[115]

Part and parcel of image making is the need to impress the public and to cultivate some sort of perception of business aspiring to provide Renaissance-type patronage and it is within this perspective that most companies claim to buy art in order to support *living* American and British artists. It is true in a sense that most British companies have a British-only buying policy, with companies based in Scotland purchasing only Scottish art or works representing Scottish subjects. The high-profile Robert Fleming collection, for example, is reportedly the largest collection of Scottish art in private hands: "Our real idea is not just to build up a collection but in some way to foster Scottish art and to try to help some of the younger artists," remarked Bill Smith, a retired director acting as the keeper of the collection.[116]

Similarly in America, because of the federal system, companies are anxious not only demonstrate national, but also civic, pride. The fourteen collections which I visited in Washington D.C. afford a typical insight into the situation. With only two exceptions, they were formed in the '80s. Most of the works included are not only contemporary American, but they also have a large percentage of works by local artists, with between 50 to 80 percent of works originating from the '80s. F. David Fowler, managing partner of the Washington office of the accounting firm KPMG Peat Marwick, and the driving force behind its art collection, made it clear why one of its purchasing criteria had to be that of the artists concerned working in the greater Washington area:

> For over 80 years, Peat Marwick has been an active partner in the Greater Washington business community... Now we are partners in the arts, as well. Our collection honours the creativity and vitality of the Greater Washington arts community and demonstrates our commitment to the community we serve.[117]

By supporting local artists, businesses are also able to appropriate to themselves historical precedents, claiming, for example, that they are emulating Renaissance patrons and seeing themselves thereby as late twentieth-century Medicis. While British businessmen are, because of different national sensitivities, somewhat more modest, American businessmen do not hesitate to make use of this sort of historical precedent, not only in the case of top managers on an individual level, but also as regards the corporation as a whole. The frequency of such historical references in the media is extraordinary: "Business Brief: Medicis of the Corporate World," "The Medici and the Multinationals," "The Modern-Day Medicis," and "Modern Medicis," to name but a few of many similar eye-catching article titles (fig. 6-59).[118] Carrying this grand idea to the extreme, the Equitable in New York named its fourteen private dining rooms after artists such as Alex Katz, Lee Krasner and Milton Avery, to whose work each room is individually devoted.[119]

This is, of course, so because the significance and achievement of the Renaissance in Western civilisation as a historico-cultural phenomenon have always been somewhat mysteriously canonised in the public perception. More obviously exploitable is the Medicis' joint rôle as bankers and art patrons, with which modern business indulging in the art market can so easily and facilely identify. To persuade other CEOs to emulate the grand style of the Medicis, Herbert Schmertz, director and vice president of the Mobil Oil Corporation, not only drew the parallel but even up-dated it:

> The Medici were continually under competitive and sometimes military — pressure from four other superpowers in Italy itself. Our situation is different only in that it's on a broader worldwide scale. The Medici were in a tough business — cloth-trading and banking — something like Wall Street and the New York Garment District combined. And that sort of commerce was so novel they had to make up the rules as they went along.[120]

Yet, unless we bear in mind the fact that the economic conditions of the artist and his or her artistic production are not necessarily in a cause-and-effect relationship, and if we fail to take into account the extent to which the economic and political ambitions of present-day corporations differ so fundamentally from those that characterised the Italian Renaissance, we might be liable to mistake corporate rhetoric for aspirational truth. American business, according to Jerry C. Welsh, an executive of American Express, is "a logical inheritor of America's social and cultural conscience,... With our size and power comes the responsibility to seek new avenues to unleash the power of American business in ways which contribute to the general welfare of our country."[121]

To give preference to local and younger artists is, nevertheless, not just a matter of social altruism, but one of pragmatism also. It is not because American or British executives do not wish to play lavishly on the international art market in the same way as the Japanese, for example, do. The exorbitant prices for blue-chip artists are such that only very few companies have the resources to play with such high stakes. When asked the reason why his company decided to collect contemporary British art, William Backhouse, chief operating officer at Baring Asset Management, explained: "Old masters were out of our price bracket, very modern would not have appealed to my colleagues, so we narrowed the field to contemporary British."[122] By buying the works of young artists, businesses can aim to get "quality art at reasonable prices while demonstrating civic pride,"[123] and at the same time hope that the artists they have in stock may become tomorrow's Van Goghs or Picassos.

The dynamics of this image-making machinery are certainly not limited to merely displaying art works on company premises. Not only has the conventional method of producing a catalogue been exploited to give an aura of permanence and scholarship to the collection, but increasingly art works have been reproduced to enliven the look and enhance the appearance of annual reports and other company brochures. Those dull monochrome annual reports, full of photographs of dark-suited male directors (figs. 6-60 and 6-62), have been replaced by ones, still of course portraying predominantly men, decorated with splashes of bright colour and abstract shapes (figs. 6-61 and 6-63). And in one case, a full page in a recruitment brochure is devoted to explaining the ten art works that are lavishly reproduced in it (fig. 6-64).[124]

6.4 Legitimising Corporate Art

Yet, the mere ownership of art, however much it may contribute to an "enlightened" corporate image, is not automatically an indication of any particular cultural sensitivity, especially for more sophisticated audiences. However lucrative the art market may be seen as being, few companies venture into art buying without taking the precaution of enlisting the guidance of art consultants of some kind. The increase in business buyers during the '80s (in America, since the '70s) has spawned an equal surge of consultants of varied calibre catering for this specific market, what a *New York Times* journalist called "a cottage industry of art counsellors."[125] These range from one-man/woman enterprises to companies like Art for Offices [*sic*] in London, whose large warehouse showroom in Wapping displays works from a collective stable of some 600 artists. In America, the scale of the phenomenon is even larger and more institutionalised, with trade associations such as the Association of Corporate Art Curators, and the National Association for Corporate Art Management established in the early '80s.[126] Both in America and Britain, the intensity of corporate collecting is such that the subject has received the accolade of academia and now forms part of some university courses of the '90s.[127]

These art advice industries and individuals who work professionally within the corporate sector are of great significance to this study in that, whether they act as in-house curators or outside art consultants for corporations, they function as gatekeepers, as it were, for business buyers, or what Jack Boulton, former art purchaser for Chase Manhattan Bank, called "art traffic controllers."[128] It is a position for which Frances Chaves, curator for the Reader's Digest's collection claims a privileged status: "A museum curator has to stand back and wait for the die to be cast. A corporate curator can go out and make art history."[129] While day-to-day administrative structures vary from firm to firm, the backgrounds of these curators or consultants are surprisingly homogenous. Like museum curators, they share both academic credentials in art history, very often with advanced degrees, along with equally impressive museum experience. In a report from the mid-'80s, for example, one discovers four corporate curators in Manhattan who received master's degrees from the Institute of Fine Arts at the New York University.[130] While academic credentials may not of themselves be a professional qualification, additional on-the-job museum experience certainly is. Jack Boulton, for example, who has a master's degree in Media Studies, not only boasts five years' museum experience as director of Cincinnati's Contemporary Art Center, but he was also a founding trustee of New York's pioneering New Museum, and an adviser to the National Endowment for the Arts.

These arbiters of taste, in particular those who have held prominent positions in *public* art museums, have, by virtue of moving freely between the museum and corporate sectors, transferred to corporate collections the authenticating prestige that they had enjoyed in their positions in public institutions, thereby legitimising corporate collections and giving corporate America a passport to participation in the art world. The original Chase Manhattan art committee, for example, was filled with art historical luminaries such as Alfred Barr and Dorothy Miller from the Museum of Modern Art in New York, James Sweeney from the Museum of Fine Arts in Houston, and Robert Hale from the Metropolitan Museum.

Carefully distinguishing itself from other "up-market wallpaper salesmen or saleswomen," the Contemporary Art Society (CAS) in Britain plays a similarly special rôle in mediating between business and artists, though this is a somewhat peculiar British phenomenon. For a commission fee, the CAS, in addition to its other functions, advises companies on their art purchases in the same way as other consultancies. The CAS's Corporate Art Advisory Service is offered by the Tate Gallery as one of the "exclusive accesses and services" provided as part of their corporate Partner package, and the Gallery, in its *Corporate Membership Programme* brochure, praises it as "giv[ing] impartial and objective advice on the acquisition, commissioning, installation and maintenance of works of art for the office environment."[131] But unlike other consultancies, the CAS runs as a non-profit charity, where all the profits from advising companies go back into the organisation to purchase contemporary art for public museums and art galleries in Britain, a position of which its former honourary treasurer, Nancy Balfour, boasted, by saying that the CAS has "a reputation for choosing first-class work for museums."[132] This semi-public character, as well as the fact of its working in collaboration with the Tate Gallery, to which it is also physically close, gives the CAS political "clout" and clear advantages over other commercial consultancies,[133] or as Balfour put it, "gives *prestige* to a business collection [italic added]."[134]

This position of privilege, even if unarticulated, is ethically problematic. But it is not exclusively a matter of individuals; American art museums, whose boards of trustees consist predominately of corporate figures, rarely deny corporate America the opportunity of showcasing their collections under the museum's roof, something which has not happened with any frequency in Britain except for such charities as the CAS or the NACF. There is nothing new in a joint venture of art museums and business in America. As early as 1960, the Whitney Museum mounted a show called "Business Buys American Art;" similar types of exhibitions followed regularly over the subsequent decades.[135]

What distinguished the '80s-style venture is, however, the active participation of the corporation in the actual organisation of the exhibitions, and an equally uncritical acceptance and willingness on the part of art museums to dance to the corporate tune. Some museums even went as far as presenting wall plaques developed by their host companies for employee education as part of the shows. The title of a *New York Times*'s article sums up what is really at stake here: "Seeking exposure, companies take their shows on the road."[136] The Laguna Gloria Art Museum in Texas (a museum funded in part by the City of Austin and the Texas Commission on the Arts), for example, mounted a corporate show called "Collecting on the Cutting Edge: The Frito-Lay, Inc." in January 1988, and boasted in the press release that the exhibition was "a fine example of what a progressive and enlightened corporate collector can accomplish."[137]

The Frito-Lay collection, started in 1985, and including by the time of the exhibition some 900 objects, was, according to the company's own publication, a "provocative collection" centring around the theme "Contemporary International Humanism."[138] Not only was the exhibition drawn exclusively from the company's own collection, but many of the wall plaques and other explanatory material developed by the corporation were used at the Museum. The curator of the show, Monica Kindraka, was quoted as saying: "We wanted to do an exhibition of *exciting* and *difficult* contemporary art, something that would be large in impact as well as in size [italic added]."[139] Can an art museum possibly achieve the aim of being "large in impact and in size" in an exhibition of 39 pieces by 21 artists, even if size were in fact a virtue and even if the collection did, as the museum's overinflated press release maintains, "read as a veritable 'who's who' of the masters of contemporary art"?[140] It is problematic when art museums present corporate collections as possessing a coherent theme, since to do so inevitably involves compromising scholarship and giving a stamp of authenticating approval to works in collections whose commercial value is thereby increased. More problematic still is the fact that museums are increasingly abandoning their traditional rôle of "neutral" interpretation and presenting instead corporate collections packaged in the corporations' own terms.[141] These practices, in which art circulates as a common currency for the *benefit* of museum and corporate capital, have brought the convergence of art and commerce to a new level of intimacy.

6.5 The Impact of Corporate Patrons

By winning consent from museums and taste-makers in the art world, corporations have found it that much easier to gain entrance to the space of contemporary art, where their presence appears both legitimate and natural. Its legitimation can be demonstrated by the *curriculum vitae* of artists, who will not omit to list their works in corporate collections, and it seems that being collected by a prominent corporation is equally as prestigious as being shown in a public art museum. The power of corporate patronage derives from the simple fact that corporate America has become such a major buyer in the art market since '70s, and to a lesser extent in the case of British companies, in the '80s. While no systematically collected data on corporate shares on the art market have yet become available, according to Rosanne Martorella's study *Corporate Art* in 1990, its share was well over fifty percent of the market outside New York, and about twenty to thirty percent of that in New York.[142] No equivalent figure is available for British companies.

What sort of contemporary art, then, has this new breed of corporate patrons been collecting? At the time of writing, there are no statistics available on the content of the collections themselves. The questions incorporated into my own survey aimed at trying to establish which styles of works were actually preferred seemed to be too demanding for men and women engaged in the hectic world of business.[143] Given the scarce information to hand, the following discussion is primarily based on my visits to corporate art collections.

In terms of medium, sculptures or other three-dimensional works are the least collectable among corporate buyers, both because of their cost and because of the space required to display them. This is suggested by the remark of Jim Dobkin, a lawyer with the firm Arnold and Porter in Washington D.C.: "contemporary sculpture requires airiness and spaciality, which makes sculpture inconsistent with office efficiency."[144] Similarly, when asked why their companies do not purchase sculpture, a British chief executive remarked: "We don't, no, partially because of financial reasons... Secondly, these rooms don't lend themselves to sculpture."[145] This is not an untypical response. A high percentage of British collections are concentrated in the South East of the country. In the City of London in particular, where space is at such a premium, few companies can afford the American-style atrium and spacious corridors, except in the case of outdoor sculptures owned by the property companies mentioned earlier and those who happen to own outdoor grounds or grand stairways. The issue is further complicated by security concerns in the City. As one director noted, sculptures were impractical, getting in people's way at times when thousands of people may have to be evacuated from the building.[146]

Sculpture apart, there are some subjects of art which are consciously excluded from the corporate pantheon for reasons of so-called "taste." There is nothing new in referring to the conservatism of corporate taste. Except for a few companies which specifically exploit the image of collecting at the cutting edge of art, such as First Bank System in Minneapolis, not all works are deemed acceptable for corporate display. As high as 70 percent of American companies and 40.0 percent of British companies in the survey acknowledged this (see Tables 6.7.1 and 6.7.2). When asked to specify what kind of works they considered inappropriate, the range of answers was surprisingly unanimous, in particular those from American companies. In a society as sexually prim, and perhaps, alas, as politically correct, as America, "naked images" (as one respondent put it) of ladies or gentlemen are definitely denied the privilege of entering the sacred walls of corporate America. Except for a few general statements such as "anything that does not meet the goals of the specific corporation," in 34 out of the 39 American companies which specified what was inappropriate, nudity was listed as objectionable.

Among the American companies visited, the only collection which had any sort of images representing some hint of female breasts and buttocks was tellingly, a European bank, and they had been selected by its European president, despite the fact that female staff found them offensive. To quote some companies' written responses:

> We are first in the business of banking so there are no/any works which are controversial such as nudes (from an American bank).
>
> morbid, extremely depressing, and overly erotic artworks, especially any depicting male or female genitalia or incorporating slanderous images or texts (from a American manufacturing company).

But any works which may be politically, socially, and in America racially and religiously, controversial are considered inappropriate for display in corporate environments. In the words of some American respondents such works include "paintings by artist with a 'cause'" or "anything that might 'offend customers,'" and it is for this reason that "decorative works are preferred." To elaborate further on this, one company remarked:

> The corporation prefer to avoid explicit nudity or works which take an exclusive stance on social or political issues, although this is not a written or iron-clad rule (from an American manufacturing company).

British patrons, unlike their American counterparts, seem to be able to endure nudes as long as there is no "explicit nudity" or providing they are not "overly sexual," as they put it. Even when some nudes cause controversy, senior managers are able to justify their choice by referring to the precedents of public art collections (figs. 6-65 and 6-66).

To quote one senior executive:

> I believe that most good galleries in this world have paintings of nudes... To say you are not going to have nudes is just as stupid as saying you are not going to have seascapes or landscapes or still lives.[147]

And perhaps not surprisingly, female nudes are perceived and treated differently from male ones, not least in the City of London where the whole ambience is aggressively masculine. The company referred to above decided not to purchase a drawing of male nudes by Elizabeth Frink because one of its executives "absolutely refused to have male nudes."

Nudity is, however, certainly not a focus of controversy in British corporate collections. There is a higher degree of sentiment, and occasionally resentment, against abstract paintings than against those representing nudity. This is not to say that British businessmen do not buy abstract works at all; a few of them do. Indeed, in one instance, the reason for opting for abstraction was to avoid stepping into any politically controversial areas, as if abstract works were in some way ideologically value-free.[148]

The fact remains, however, that British companies tend to buy figurative works. The profound feeling of unease towards, and sometimes even of being threatened by, abstraction in people who do not possess what Pierre Bourdieu calls "the code" to decipher splashes of colours and lines is pervasive.[149] Among the responses to "inappropriate" works for a corporate environment in the survey, abstracts figured rarely, and only two respondents, both British, referred to them as undesirable. One specified "abstract" as equally inappropriate as "nudity," and the other euphemistically referred to abstract as undesirable in the sense of its being "ultra modern." During my visits to corporate premises, one accountant in a bank referred to William Scott's works as "pots and pans," which, he said, could not hang as paintings anywhere but in the staff restaurant (fig. 6-67).[150] Another member of staff in the same bank, a security person, called a set of Barbara Hepworth's prints "fried eggs, lemon and the moon," and did not consider them to be pictures at all (figs. 6-68 and 6-69). And even a banker, whom one might expect to have more sophisticated tastes, had this to say about his company's collection:

> ... facing my desk, I have four differently coloured pictures — part of a series — which consist of vertical lines. This fits the modern style of the building along with the computers, but is overly simple with no overt message. Perhaps they have been chosen to keep us concentrating on our work![151]

Corporate collections, as we have already seen, are primarily shaped by senior managers. The collecting patterns that I am describing inevitably result from the "tastes" of such people. Thus Edward Adeane, the director responsible for assembling the art collection at Hambros Bank, observed:

> By and large the Hambros collection is representational. I'm not particularly keen on abstract work myself. Also, I suspect that everybody tends to come along and say, "Why did you buy that?"[152]

But, the red tape of corporations can censor anything which fails to perform its public-relations function. For example, when *Cola Wall*, a commissioned collage of metal signage by William Christenberry, was delivered to the law firm Arnold & Porter in Washington D.C., the content of the work caused serious concern to its corporate patron.[153] While there are Coca Cola and Pepsi signs on the work, those of the rival brand 7-Up are not represented, and 7-Up happened to be one of the clients of the firm. The firm was so anxious that it even thought of "pulling a drape" to cover the painting if their 7-Up client came. Trivial indeed, but, if pushed to its extreme, this attitude shows how corporate custom-made art can inevitably become part of the corporate ethos. A Washington D.C. law firm, for example, commissioned a watercolour, *Table with Correspondence.* (figs. 6-70 and 6-71) It features the dishes, pencils and headed note paper used in the firm itself, six postcards depicting images of cities where the firm has offices, and a book showing Daumier images of lawyers. In another instance, while not a commissioned piece, a painting called, *Portrait of Two Accountants* (fig. 6-72), was hung in the corridor of an accountancy firm in Washington D.C. This, of course, does not exemplify the best of corporate art or even what is typical of it. What it does, however, show is that such art, whether specifically commissioned or not, can be not only self-serving but ultimately subversive of values hitherto taken for granted by the majority of art critics.

Can art itself suffer or be depleted within the corporate environment? With the great expansion of corporate art collecting in the United States in the 1980s, minimal art, for example, such as Donald Judd's sculpture, has become, somewhat surprisingly, highly collectable. The reception and identity of minimal art, more than any other kind of art, depends to a large extent on the objects being framed within a specific context. Without the highly controlled space of the modernist gallery — the "white cube,"[154] so to speak, from which the outside world is rigorously sealed off — minimal art, once installed on corporate premises and lost in the hurly-burly of everyday business life, cannot be easily identified as art at all, and the "aesthetic experience" that it offers as an object "in a situation"[155] confronting the spectator cannot be realised.

Above all, what minimal art loses most in this corporate setting is its "objecthood," the appearance of being non-art.[156] Gallery space transforms objects which resemble utility objects into vehicles of expression; corporate space has ironically reversed this process. Thus one of Donald Judd's wall sculptures of wall-bound rows of boxes could almost be seen by uninformed business people as a piece of furniture on which to rest glasses of wine at reception parties (figs. 6-73 and 6-74). "When we had cocktail parties, people used to leave their glasses on it," admitted Laura Perrotti, director of Marketing at the law firm Fried, Frank, Harris, Shriver & Jacobson in New York, a law firm renowned for its collection of minimal and abstract art.[157]

By negating representational conventions and by pushing abstraction to its logical extremes, the concept and practice of minimal art might have been radical, but once it is enveloped within corporate space, minimal art is neither "minimal" nor truly "art." By displaying a work of art whose readable content is minimalized to near nothingness, the business patron seems to be projecting, albeit unwittingly, an image which is ideologically neutral and value-free. But the irony is that if minimal art is indeed a comment about nothing, it is as corporate art, within the corporate environment, that it is able to make it political statement most effectively.

Yet, the most far-reaching threat which corporate collecting poses to the production of contemporary art is its neutralizing and sanitizing power. Avant-garde art, whose aim is allegedly to confront and challenge the dominant culture and the status quo, once it has been recruited into the corporate camp, can soon become nothing more than expensive wall decoration; it loses its critical capacity and is assimilated to reinforce the prevailing business ethos and its values. This has to do with the fact that corporate buyers do not capitalise on the aesthetic quality of their art works but on the fame and status of their artists. Even when they purchase works by the most critical artists, the works bought will be those which do not, or do not appear to, confront and offend their employees or clients. The highly charged sexual, racial, social and political tensions and overtones characteristic of Bruce Nauman's art are prominent in such works as his neon piece, *Welcome Shaking Hands* (1985) (fig. 6-75) and his installation, *Room With My Soul Left/Room That Does Not Care* (1984). They are, on the other hand, visibly downplayed in his *Double Poke in the Eye II* (figs. 6-76 and 6-77), a neon work which one is surprised to find is owned by a Washington D.C. law firm which boasts that its art collection is "controversial" in the context of an otherwise conservative and stuffy legal profession. The work is described in the firm's collection catalogue as follows: "Nauman likes to expose the extremes of our human natures, those potent impulses we try hard to conceal. In *Double Poke*, two figures... seem poised to shake hands, but in one blink, civility fades, hostility rises, and the two go at it once again." The work, in which the blinking images actually do perform what the title describes within a second, invites a very different reading once it is realised that the context is that of two men poised to shake hands as lights go on, and that the piece is hung in the firm's litigation department. *Double Poke* is, as the staff member who showed me around explained, an ironic visual pun on the life of the legal profession, in which the time-lapse between shaking hands and, metaphorically speaking, "poking eyes" is, according to legal mythology, no more than a split second.

An even greater irony for critical artists and their work is, however, to be seen in the case of Hans Haacke. Since the early '70s, Haacke has been the quintessential critical voice against the power of business not only in the art world, but in contemporary society also. One of his works, *On Social Grease*, is, surprisingly, part of the collection of the

Gilmar Paper Company in New York. The work, whose title ironically equates social grace and vacuous PR business "grease," consists of six plaques of commentaries from business spokespersons and politicians on corporate involvement in the arts. Robert Kingsley, spokesman at the Exxon Corporation, for example, is quoted in the work as saying (apparently without any humorous intention): "Exxon's support of the arts serves the arts as a social lubricant. And if business is to continue in big cities, it needs a more lubricated environment."[158]

How does corporate ownership affect the reception and interpretation of Haacke's works, and how, in turn, does the critical edge in his work serve the owner's interests? Sam Hunter, professor of art history at Princeton University, provides the following interpretation:

> ... the very presence of the work [*On Social Grease*] in a well-known corporate collection can be viewed as a promising sign of the concern of at least one member of the corporate community to examine its own motives. Such enlightened gestures do much to ventilate an important social issue, and to deflect criticism of the corporate tendency to aggrandize and flaunt charitable acts...[159]

Apparently, therefore, the Gilman Paper's ownership of Haacke's work has not only minimised the critique which the artist was attempting to make in his works, but has actually, and radically, re-defined the very meaning of the piece: a work which set out to criticise the corporation has ironically ended up standing for the so-called liberal and "enlightened" face of business.

But is this enormous corporate purchasing power as liberal and as purely beneficial to artists as Sam Hunter would have us to believe? Or is it rather how the media tycoon Malcolm S. Forbes describes it: "They [businessmen] don't determine the direction of the arts, they only determine which artists mak[e] a living."[160] It is here that one recalls the grand historical appropriation of Medici patronage that American businessmen contrive in order to dress up their cultural ambitions. Peter McColough, then chairman of Xerox Corporation, summed it up when he declared:

> It is our hope that, by choosing the work of relatively unknown artists, we will continue in some small way the direction set by the catalysts of the Renaissance. Whether or not there is a modern day Michelangelo represented here is relatively unimportant. What is important is that many young artists be given support.[161]

Unlike American buyers, who tend to be flamboyant in their collecting, British businessmen are largely unwilling to talk about their influence on contemporary art. When Sir Nicholas Goodison, for example, spoke out, he did so more in order to boost the egos of other business patrons:

> I believe that being bought by a corporate patron can make a difference to self-confidence and therefore to the development of a younger artist's career. That sounds a bit patronising, which, in the true sense of the word, it is.[162]

The corporate ownership of contemporary art has thus not only affected the reception and interpretation of art works, but actually contributed to redefining and altering the relation between patrons and artists. As artist Jon Kessler put it: "The role of the artist used to be as outsider. You didn't want to meet your collectors — and you dressed that way. Now, we all eat at the same restaurants, [and] have our apartments photographed for the same magazines."[163] It would seem that artists are unwilling to bite the hand that feeds them. It is not just corporate art that is coming of age, but also a new and apparently uncomplicated relationship between corporate patrons and those artists who are happy to create objects congenial to the corporate ethos. One such is Bruce McLean, a particular favourite among corporate buyers. Among other corporate pieces, he created *Pestle and Mortar* for the Glaxo House atrium, the centrepiece for its British art collection. The artist said of this work: "It is a reflection of the company. Glaxo make things that make you feel better and healthier."[164] The question is: is this incontrovertibly true of this giant drugs multinational? A recent £7 million settlement between Glaxo and over 400 users of its drug Myodil shows the McLean's confident view is not necessarily widely shared.[165]

Cindy Sherman, the vangarde artist who has been such a popular star for feminist art historians, not only dresses herself up and poses to create her famous artistic film stills, but also does precisely the same thing for Calvin Klein houndstooth sweaters, for Shamask shirts and for Mizrahi evening wear.[166] And when she appeared on the BBC2 television programme "Relative Values" in 1991,[167] she cheerfully admitted that it was "just great" to have her works collected by the Chase Manhattan Bank. But have the full consequences of this seemingly natural development been fully and critically understood by the art world or British and American publics? Corporate America provides an answer for us through its magazine *Across the Board*:

> To those who still worry about the power of the corporate purse... there is one simple response: If not the corporation, who else?[168]

The issue at stake in relation to corporate patronage is not that of the use of art by the powerful; there is nothing new in that. It is rather that of the different meanings which art takes on in the social milieu of commercial space. And here lies a fundamental contradiction. Since the eighteenth century it has been widely claimed in bourgeois culture that art is, by its very nature, above the sordid world of individual interests, as represented, quintessentially, by commerce. Indeed its very capacity to confer status on corporate patrons depends on this. Yet as Bruce McLean's comment illustrates, corporate collecting is anything but disinterested. So the question is: can art bought by corporate capital and housed in commercial spaces be anything more than advertising and high-style decoration?

The exercise of economic power in art can, as we see, be converted ultimately into status and legitimacy, or into what Bourdieu terms "cultural capital." Conversely, the control of cultural capital can be converted back into monetary capital. Here lies the most attractive quality of corporate art collecting, both as a valuable investment in itself and as a PR tool. As a corporate art "guru," Manuel Gonzalez, head of the Chase Art Program, once put it with alarming frankness:

> A corporation's obligation is to its community. Art is the cheapest — by that I mean most reasonably priced — decorative element available, with a larger margin of profitability than any other commodity in history. It gives you a great cachet among the sophisticated individuals with a high net worth who are usually targeted by most businesses.[169]

The art critic Robert Hughes brings an even wider perspective to the problem and its attendant dangers:

> The idea of an American public culture wholly dependent on corporate promotion budgets of white CEOs, reflecting the concerted interests of one class, one race, one mentality, is unthinkable — if you think about it.[170]

This raises the broader and more theoretical question of cultural hegemony. By virtue of the position it occupies in the world of production, the commercial sector is able to take on, in artistic matters, the rôle of the dominant group and can come to enjoy the prestige and confidence associated with economic predominance. It needs only the tacit consent of the public at large to this new power group, and their acceptance of the new general direction which it imposes on social and artistic life, to create a set of circumstances that correspond to Gramsci's concept of cultural hegemony.[171] By institutionalising itself, corporate art assumes moral authority, appropriates legitimising symbols to itself and is able to set artistic trends. In this sense one social group acquires the power of hegemony over one of the few sectors of society supposedly above the profit and loss principle, which becomes thereby the unwitting accomplice of a new cultural movement. The origins of this new power, whether it is a potential or a real power, lie in the purchasing power to which corporate capital gives its owners access.

NOTES

1. Interview, September 1990, Washington D.C.

2. *Bates v. State Bar of Arizona*, quoted in Philip A. Thomas, ed., *Law in the Balance: Legal Services in the Eighties* (Oxford: Martin Robertson, 1982), p. 146.

3. Lord Chancellor's Department, *The Work and Organisation of the Legal Profession* (London: HMSO, 1989), Cm. 570.

4. Christopher Stanley, "Justice Enters the Marketplace: Enterprise Culture and the Provision of Legal Service," in Russell Keat and Nicholas Abercrombie, eds., *Enterprise Culture* (London and New York: Routledge, 1991), pp. 206-215.

5. Stephen Whybrow, "A Toe in the Sponsorship Water," *Arts Review*, 14 June 1991, p. 18.

6. This marketing exercise included a lunch for the students and their tutors to explain "straightforwardly the commercial rationale for the sponsorship"; producing a catalogue of the works to mail to the invitees for the receptions; the sale of commissioned works offered to those attending the receptions with the proceeds amounting to £10,000 being donated to charities (Foundation for Young Musicians and London Cartoon Centre); and an exhibition of the works at the Berkeley Square Gallery. See Stephen Whybrow, *ibid.*

7. Accelerated depreciation is "a method of cost recovery which allows a deduction for the wear and tear of property used in a trade or business, or of property held for the production of income." Personal correspondence dated 15 July 1991 from the London office of one of the top international chartered accountancy firms.

8. Investment tax credit (valid for the years 1980-1985) "permitted a reduction in tax liability based upon a taxpayer's qualified investment in certain kinds of property. Thus, investment tax credit was an incentive device intended to stimulate the purchase or modernisation of certain kinds of productive assets. Its purpose was achieved by permitting a reduction in income tax liability by a percentage (generally 10 %) of the amount the taxpayer (corporation) spends for the assets." Same personal correspondence as in note 7 above.

9. Daniel Grant, "Corporate Collecting," *Art & Auction*, October 1985, p. 168.

10. See note 7 above.

11. Personal correspondence dated 9 February 1993 with Michael D. Finley, Chief, Branch 3, Office of the Assistant Chief Counsel (Income Tax and Accounting), Internal Revenue Service, Department of the Treasury, Washington D.C.

12. Personal correspondence dated 13 April 1992 with another accountant at the same firm as in note 7 above.

13. Personal correspondence dated 16 May 1991 with an international law firm in Washington D. C.

14. Personal correspondence with Michael D. Finley, as in note 11 above.

15. The case was further taken to the United States Court of Appeal, but the original Tax Court's ruling was affirmed; see *Federal Reporter*, 2d, 6th Cir. 1985, pp. 38-40.

16. Personal correspondence dated 24 January 1994 with Susanna Waterhouse, Technical Adviser, Business Profits Division 4 (Schedule D), Inland Revenue, London.

17. An example was given by a chartered accountant at one of the top international accountancy firm in the London Office, who is deeply involved in the art collecting of his firm and sits on the trustee board of one of the leading independent galleries in Britain: "if a painting is 'plant and machinery,' the amount spent on its acquisition can be offset against taxable profits at a rate of 25% on a reducing balance. If the painting cost £100, a deduction of £25 would be available in the first year, £18.75 in the second year (being 25% of 75% of £100), £14.06 in the third year (being 25% of 75% of 75% of £100), and so on." Personal correspondence dated 15 December 1993.

18. Personal correspondence with Susanna Waterhouse, as in note 16 above, and interview with Nick Hagan, Tax Inspector, Moorgate, Inland Revenue, London, 20 November 1992.

19. According to Susanna Waterhouse, "In general, a company can claim a deduction only for an expense which is incurred 'wholly and exclusively for the purpose of its trade'... If, therefore, a company operated as an art dealer, the cost of buying works of art for sale by way of trade would be deductible in computing trading income... In the case where a work of art was bought for its investment potential, it would not be a deductible expense because it would be capital, and there would be no allowance for depreciation." Same personal correspondence as in note 16 above.

20. To qualify for capital allowances, works of art have to be classified as "plant and machinery," which is "actually being used to carry on the trade of the company. It is not sufficient for the asset to be used in the trade. The distinction may not be immediately obvious, but works of art are a particularly good example. A company may have paintings in its offices, for example. Although these are being used in the company's trade, they are not used to carry on the trade. Paintings in a restaurant perform both purposes — they are used to carry on the trade as they create an 'atmosphere' in order to attract customers." Sources the same as note 17. "Another situation in which works of art might qualify as 'plant,' would be the pictures on the walls of a stately home which has a trade of opening to members of the public in return for admission fees, or a privately run art gallery." Personal correspondence with Susanna Waterhouse, as in note 16 above.

21. Interview with the accountant on 13 June 1994, London.

22. Here is an example given by the accountant referred to above to illustrate the point: If you purchase a work of art for £100, for tax purposes, you are allowed, say 25% written down allowances against your expenses in tax computation, which means the tax written down value of that purchase is now £75 {£100 — (£100 x 25%)}. If you keep it for a year and then sell it, say, for £125, you have made a real profit of £25. But for tax purposes, you already have £25 allowances, which brought down the value to £75 and for tax purposes, you made a profit of £50. So in a year of acquisition, you being allowed £25, and in the following year when you dispose of it, you pay tax on a £50 profit. If you did not obtain any tax allowances, you buy in year one for £100 and you sell it in year two for £125. You would pay tax on £25. As far as the net present value is concerned, it is therefore better to get the allowances today and pay a higher profit tax tomorrow, because, according to him, "your net present value of this £100 investment has diluted in a year time."

(1) claiming capital allowances	£
original cost	100
(25% written down allowances)	- 25
value in year two	75
if sold for £125, profit:	50
Then pay tax on £50.	

(2) not claiming capital allowances	£
original cost:	100
value in year two:	100
if sold for £125, profit:	25
Then pay tax on £25.	

23. Robert Hiscox, "Hiscox Holdings Ltd," *The New Patrons: Twentieth-Century Art from Corporate Collections* (London: National Art Collections Fund, 1992), p. 50.

24. An early version of British corporate collectors has been published by Chin-tao Wu, "Corporate Collectors of Contemporary Art in Britain," in Rosanne Martorella, ed., *Art and Business: An International Perspective on Sponsorship* (Westport, Connecticut and London: Praeger Publishers, 1996), pp. 89-100.

25. For a history of corporate art collecting, see "A History of Corporate Collecting from 1900 to 1970," Montgomery Museum of Fine Arts, *Art Inc.: American Paintings from Corporate Collections* (Alabama: Montgomery Museum of Fine Arts, 1979), pp. 10-24, and for a history of collecting in the '30s and '40s, see Deirdre Robson, *The Market for Modern Art in New York*, unpublished Ph.D. thesis, University of London, 1988. According to *Art Inc.*, the Atchison, Topeka and Santa Fe Railway acquired its first work in 1903. But in another account, the company started commissioning artists in 1896; see "Artists of the Santa Fe," *American Heritage: The Magazine of History*, 27(2), 1976, pp. 57-72.

26. Walter Paepke, chairman of the Container Corporation of America, commissioned a series of paintings for colour reproductions in the magazines *Time* and *Fortune* by named artists such as Henry Moore, the then-unknown William de Kooning and Ben Shahn on the grand theme of "Great Idea of Western Man;" see Sam Hunter, *Art in Business: The Philip Morris Story* (New York: Published under the auspices of Business Committee for the Arts by Abrams, 1979), p. 16. See also James Sloan Allen, *The Romance of Commerce and Culture* (London and Chicago: the University of Chicago Press, 1983), pp. 29-32.

27. International Business Machines Corporation (IBM), *50 Years of Collecting: Art at IBM* (New York: IBM, 1989).

28. For examples of bank collections before the 1980s, see Simon Houfe, "Art Treasures of the British Banks," *Bankers' Magazine*, December 1977, pp. 10-14.

29. For example, Shell UK had well-known artists such as Graham Sutherland, Duncan Grant and Ben Nicholson to do its advertising; see *"That's Shell — That is!": An Exhibition of Shell Advertising Art* (London: Barbican Art Gallery and Shell UK Ltd, 1983).

30. The only substantial study of American corporate art collecting is Rosanne Martorella's *Corporate Art*, as mentioned in Chapter 1; see *Corporate Art* (New Brunswick and London: Rutgers University Press, 1990). Tatjana Gertik did a MA thesis on British collections, the scholarship of which is however not always reliable; see *Functions and Benefits of Corporate Art*, unpublished MA thesis, 1988, City University, London.

31. Shirley Reiff Howarth, ed., *International Directory of Corporate Art Collections* (Largo, Florida: International Art Alliance and New York: Artnews Associates, 1989).

32. The information contained in the *Directory* is not always accurate. Some companies I visited declared that they did not know why and how they were listed in the directory. One suspects that information was gathered by dealers or consultants who tend to exaggerate the collections. Despite its claim as an international directory, the *Directory* does not seem to make any efforts to update the information on British companies. Some of the companies such as Cocoa Merchants Limited and Consolidated Gold Field plc., which were out of business at the time of my research, are still listed in the new 1993-94 edition.

33. The company no longer exists; it was taken over by an American company and is known as Alexander & Alexander Europe plc.

34. I visited one company in 1993 and another in 1994. Most of the companies visited are located in London.

35. Beth Mintz and Michael Schwartz, "Capital Flows and the Process of Financial Hegemony," in Sharon Zukin and Paul DiMaggio, eds., *Structures of Capital* (Cambridge: Cambridge University Press, 1990), p. 209. They also reported that these same institutions were thought to "hold about 40 percent of the outstanding stock in the largest American corporations."

36. John Scott, "Intercorporate Structures in Western Europe: a Comparative Historical Analysis," in Mark S Mizruchi and Michael Schwartz, eds., *Intercorporate Relations: The Structural Analysis of Business* (Cambridge: Cambridge University Press, 1987), p. 221.

37. Beth Mintz and Michael Schwartz, "Capital Flows and the Process of Financial Hegemony," *art. cit.*, and "Corporate Interlocks, Financial Hegemony, and Intercorporate Coordination," in Michael Schwartz, ed., *The Structure of Power in America: The Corporate Elite as a Ruling Class* (New York: Holmes & Meier, 1987), pp. 34-47; see also James Bearden, "Financial Hegemony, Social Capital, and Bank Boards of Directors," in Schwartz, ed., *The Structure of Power in America, op. cit.*, pp. 48-59, and Michael Soref and Maurice Zeitlin, "Finance Capital and the Internal Structure of the Capitalist Class in the United States," in Mizruchi and Schwartz, eds., *Intercorporate Relations, op. cit.*, pp. 56-84.

38. According to William N. Goetzmann, there have been three apparent bull markets in art since 1720: 1780-1820, 1840-1870, and finally the post-Depression era, 1940-1986, with the last one being the longest and strongest of all; see "Accounting for Taste: Art and the Financial Markets Over Three Centuries," *The American Economic Review*, 83(5), December 1993, pp. 1370-76.

39. George Soules, "Does Art Belong in Pension Funds?" *Contingencies*, September/October 1989, pp. 31-32.

40. Robert C. Anderson, "Paintings as an Investment," *Economic Inquiry*, 12, March 1974, pp. 13-26.

41. In addition to the studies undertaken by W. N. Goetzmann and R. C. Anderson cited earlier, there are other studies such as William J. Baumol, "Unnatural Value: or Art Investment as Floating Crap Game," *The American Economic Review*, 76(2), May 1986, pp. 10-14, and James E. Pesando, "Art as an Investment: the Market for Modern Prints," *The American Economic Review*, 83(5), December 1993, pp. 1075-1089.

42. William N. Goetzmann, "Accounting for Taste," *art. cit.*

43. During IBM's sale of its collection in 1995, Lee Krasner's *Luminous Though Blue* (1963) was sold for $173,000 (estimated $100,000 - $150,000), and Jack Tworkow's *House of Sun* for $88,300 (estimated $35,000 - $45,000), a new auction record for the artist; see David Ebony, "Spring Auctions Heat Up," *Art in America*, July 1995, p. 21.

44. For example, Elspeth Moncrieff, "Smart Art (the Merits of Corporate Collections)," *Apollo*, 133, March 1991, pp. 196-99.

45. National Art Collections Fund (NACF), *The New Patrons* (see note 23 above). In fact there are 24 lenders listed in the catalogue, but I exclude the British Council and InterCity on the grounds that neither is in the private sector. Robert Mcpherson, the organiser of the exhibition, justified their inclusion on the grounds that the commission by the British Council of Patrick Caulfield's carpet is significant enough and the building is partly owned by British Gas; interview with Robert Mcpherson, NACF, 5 February 1992. Another point to bear in mind is that although the Save & Prosper Group and the Hill Samuel Bank are subsidiaries of Robert Fleming and TSB respectively, their collections are operated separately. I therefore count them as different companies.

46. The only exception is *3i*, whose headquarters are opposite Waterloo station. Yet in any case *3i* is not a significant collector in the sense that I have defined above. It is nevertheless well known for its innovative way of utilising art works. The company has commissioned or acquired a work of art from an established artist each year since 1988. In addition to the ownership of the original piece, the work is used as a basis of the graphic design for its annual report and for reproducing silkscreens (of course with the artist's signature!) as rare gifts to their senior managers and worthy clients. And for all this, it costs the company only about £3,000 to £5,000. See Antony Thorncroft, "Art Acquisition for Canny Companies," *The Financial Times*, 20 January 1990, p. 20.

47. Arnold and Porter, "Art at Arnold and Porter," press release, Washington, D.C., n.d.

48. Nancy Zeldis, "Firms Get Serious About Art: Birds Are 'Out'; Abstracts 'In'," *The New York Law Journal*, 3 August 1988.

49. Jonathan Ames and Nick Hilborne, "Art for Law's Sake," *Gazette* (Law Society), 93(32), 4 September 1996, p. 28.

50. David Cohen, "Art for Everybody's Sake," *Accountancy*, April 1991, pp. 70-71.

51. This is a point made by several lawyers and accountants in the interviews.

52. Coopers & Lybrand was the top firm in terms of fee earning in the U.K. in 1993 and Arthur Andersen the fourth. However in terms of its global market, Arthur Andersen is the largest in the world. For Cooper & Lybrand's collection, see Elspeth Moncrieff, "Smart Art," *art. cit.*, as in note 44 above. For Andersen's collection, see the following note.

53. Glenn Sujo, "The Arthur Andersen Collection," *Arts Review Year Book 1990*, p. 53; Caroline Palmer, "Hidden Treasure," *Accountancy Age*, October 1993, p. 31; and David Young, "Corridor Show to Rival the Best," *The Times*, 9 December 1993.

54. In 1994, Glaxo was the second biggest pharmaceutical company in the world, second only to the US firm Merck, with drug sales of £5,340 million; see Matthew Lynn, "Drug Dealers," *The Sunday Times*, 8 May 1994, Business Focus, p. 3. Glaxo merged with Wellcome in early 1995.

55. The nature of conglomerates is such that most of their products are not sold under the company's name. In addition to tobacco, Philip Morris business interests include, as of 1989, Kraft foods, Oscar Mayer foods, the Miller Brewing Company, financial services and real estate.

56. Simon Caulkin, "Value for Money," *The Observer*, 24 April 1994, p. 8.

57. The exhibition toured the Musée des Beaux-Arts in Montréal, the Vancouver Art Gallery, the Nickle Arts Museum in Calgary, the Seagram Building in New York, and the London Regional Art Gallery in London, Ontario in 1984-5; see *Drawings by Sculptors: Two Decades of Non-Objective Art in the Seagram Collection* (New York:

Joseph E. Seagram & Sons, Inc., 1984).

58. A total of over 300 works is given in its catalogue, although a report on the Unilever collection in 1989 gave a different figure of 1,000 works; see Andrew Gibbon Williams, "The Secret Art of the City," *The Sunday Times*, 9 April 1989.

59. Mary Rose Beaumont, "An Introduction to the Collection," *Unilever House London Contemporary Art Collection: The First Twelve Years*, catalogue published by Unilever plc., London, n.d.

60. In a statement entitled "TI Group and the Arts," contained in the *TI Group Art Collection 1992-3* pack of postcards (Abingdon, Oxon.: TI Group plc, n.d.).

61. *Ibid.*

62. For this specific purpose, I do not mean the collections owned by the developers in their offices, but the art works sited in the buildings which they develop. The category thus does not fit in the classifications used in the questionnaire survey, and accordingly does not figure in Tables 6.4.1 and 6.4.2.

63. Stephen Knapp, "Working with Artists," *Urban Land*, September 1987, p. 20.

64. The National Endowment for the Arts started funding "Art in Public Places" projects in 1967; for a discussion on the programme, see *Art in Public Places* (Washington D.C.: Partners for Livable Places, 1981). By May 1986, twenty-two states and close to 100 cities had laws that required public builders to contribute a fixed percentage of their construction costs to placing art in the buildings' public spaces; see Lori B. Miller, "Customizing Art to Fit Architecture," *The New York Times*, 18 May 1986. As late as in the end of the '80s, the Arts Council of Great Britain started promoting and advocating the concept and practice of "Percent for Art," as it is more popularly known in Britain; see *Percent for Art* (London: ACGB, 1991), and Phyllida Shaw, *Percent for Art: A Review* (London: ACGB, 1991).

65. Albert Scardino, "Marketing Real Estate with Art," *The New York Times*, 1 February 1987, section 3, p. F23.

66. Interestingly enough, the study set out to measure the commercial benefits of public art in commercial and industrial developments in monetary terms, but it had to abandon the approach because the benefits could not be possibly quantified in this way; see Marion Roberts, Chris Marsh, and Miffa Salter, *Public Art in Private Places: Commercial Benefits and Public Policy* (London: School of Urban Development and Planning, University of Westminster, 1993).

67. Vanessa Houlder, "Broadgate Extravaganza Masks Gloom: The Financial Background to a £2bn City Development," *The Financial Times*, 5 December 1991, p. 7; see also Deyan Sudjic, "Changing the Face of the City," *The Guardian*, 4 December 1991, p. 34.

68. Andrew Taylor and David Owen, "Huddling Together to Weather the Property Collapse — The Background to the Talks between Rosehaugh and Stanhope," *The*

Financial Times, 16 July 1991, p. 15.

69. The Broadgate complex is located in the northeast part of the City of London, bordering on the London Boroughs of Tower Hamlets and Hackney, where there are high concentrations of poor ethnic minorities, and a particularly high unemployment rate. In a metropolitan area such as London, where class differences are readily revealed by the location of residences, this part of the city is a place which many people reportedly would not normally visit, in particular at night. As a matter of fact, about one third of Broadgate was previously within the London Borough of Hackney. After a successful campaign by the developers, these areas were re-designated as falling within the City after 1st April 1994, making the development sealed off, at least in administrative terms, from its immediate derelict neighbourhood; see "Borderline Decision," *Broadgate Broadsheet*, 6, April/May 1994. For a discussion on the surroundings of the Equitable building, see Chapter 5.1.

70. Colin Amery, "Where Patronage Proves a Point," *The Financial Times*, 14 October 1991, p. 15.

71. According to a different account, the developers of the Broadgate have "poured several million pounds" in their public art programme; see Deyan Sudjic, "Changing the Face of the City," *art. cit.*

72. In several cases my correspondence with these overseas companies has been re-directed to their parent company abroad. For instance, it is the responsibility of the New York head office of a financial institution to decide whether or not its London branch can provide enquirers with information.

73. Although in strict percentage terms, the highest percentage given to the question on the reasons of initiating an art collection is "to enhance the working environment" (95.6 percent and 91.5 percent for American and British companies respectively), this particular response involves a large degree of social desirability, and should not be taken as literally as it otherwise could be.

74. Sir Nicholas Goodison, "Art is Life," *Arts Review*, May 1992, p. 168. He is the chairman of the TSB group, whose total revenue was £1.8 billion pounds at the time when he started buying art for the group headquarters at the City of London with a budget of £100,000 in 1989.

75. Edward Adeane, a director responsible for assembling the art collection at the merchant bank Hambros in London, whose stock market value was £400 million at the time when they started buying in 1988. Quoted in Mark Archer, "The City's Best Kept Secret," *Telegraph Weekend Magazine*, 19 January 1991.

76. Interview, September 1990, Washington D.C.

77. Paul DiMaggio, "Cultural Entrepreneurship in Nineteenth-Century Boston: the Creation of an Organizational Base for High Culture in America," *Media, Culture and Society*, 4, 1982, pp. 33-50.

78. Michael Useem, *The Inner Circle: Large Corporations and the Rise of Business Political Activity in the United States and United Kingdom* (New York and Oxford: Oxford University Press, 1984), p. 175.

79. See Chapter 1, note 21.

80. For a discussion of David Rockefeller's power in America, see Thomas R. Dye, *Who's Running America?: The Conservative Years* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1986), pp. 176-81.

81. Maurice Zeitlin, "Management Control, Exploitation, and Profit Maximization in the Large Corporation," in *The Large Corporation and Contemporary Classes* (New Brunswick, NJ: Rutgers University Press, 1989), pp. 73-109.

82. The market position was as of May 1991, according to a report by David Barchard and Kieran Cooke, "TSB to end its operations in Northern Ireland," *The Financial Times*, 3 May 1991, p. 19. TSB merged with the Lloyds Bank in December 1995 and is now known as Lloyds TSB.

83. Sara Webb, "Finance & The Family: An Old Married Couple," *The Financial Times*, 5 May 1990, p. IV.

84. He has been President of the British Bankers Association since 1991, vice chairman of the Chartered Institute of Bankers since 1989, deputy chairman of British Steel since 1991 (director since 1989), director of General Accident plc between 1987 and 1995, member of the Council of the Industrial Society since 1976, and of the Securities Institute since 1992; biographical information is from the 1996 edition of *Who's Who*.

85. Antony Thorncroft, "Rix Rattles the Arts Council — An Explosive Resignation," *The Financial Times*, 12 June 1993, p. 21.

86. Alex Bernstein, "Granada Television Ltd," in *The New Patrons*, *op. cit.*, as in note 23 above, p.48.

87. This is the case with Cob Stenham, the former chief executive at Unilever who started the art collection there. When he moved on to become the chief executive of the Banker's Trust, he initiated another collection there; see Antony Thorncroft, "Art Acquisition for Canny Companies," *art. cit*, as in note 46 above.

88. Canary Wharf, for example, might well be said to be one attempt to expand the office space of London both horizontally and vertically, but it barely had time to prove its success before the real-estate empire of its developers, Olympic and York, collapsed. For example, the Cesar Pelli-designed tower called DS-7 (Docklands Square No.7) has virtually all the office space of Broadgate in one single building; see Martin Pawley, "Plans for Canary Wharf Outraged Conservationists," *The Guardian*, 7 May 1990, p. 28.

89. For example, a property agent is quoted as saying, "... a fabulous building... in EC3... has a draw on it because you can hail a cab and say go [there] and they [taxi drivers] instantly know." See Marion Roberts *et al.*, *Public Art in Private Places*, *op.*

cit., as in note 66 above, p. 26.

90. Rupert Morris, "Radical Change of Art," *The Financial Times*, 7 January 1994, p. 9.

91. A company brochure, *Windlesham*, published by the BOC Group, Windlesham, Surrey, n.d.

92. Personal correspondence with a foreign bank in London, 8 December 1992.

93. Thomas S. Johnson's statement in the exhibition catalogue, *Art of the '80s from the Collection of Chemical Bank* (New York: Chemical Bank Corporation, 1989). Thomas S. Johnson was President of Chemical Bank Corporation and a Trustee of Montclair Art Museum, Monclair, New Jersey. The Museum held the exhibition in 1989.

94. According to the former Glenn Sujo, curator for Arthur Andersen, a survey was carried out internally among the partners, managers and administrative staff to test their response to the art works. It was reported that over 60% of the staff enjoyed the majority of works in the office. However, this figure can not be taken without reservation; see Glenn Sujo, "The Arthur Andersen Collection," *art. cit.* as in note 53, and Caroline Palmer, "Hidden Treasure," *art. cit.*, as in note 53 above, p. 31.

95. Interview, January 1995, London.

96. In a written statement given to me by one of the firms which I visited in Washington D.C., n.d.

97. Faye Rice, "The Big Payoff in Corporate Art," *Fortune*, 25 May 1987, p. 106.

98. Personal Correspondence with Judith Charlton, Works of Art Officer, Railpen Investments, dated 22 June 1994. The Pension Fund holds only some early twentieth-century paintings and prints.

99. "British Rail Pension Fund — Investment in Works of Art," background information on art investment provided by Judith Charlton, Works of Art Officer at the Pension Fund.

100. Alex Bernstein, in *The New Patrons*, as in note 23 above, p. 48.

101. Interview with one of the top managers of a financial house in London in May 1992.

102. D. Cochrane, "Corporate Support of the Visual Arts: Some Innovative Programs," *American Artist*, 42, 1978, p. 60.

103. Paul DiMaggio, "Social Structure, Institutions, and Cultural Goods: The Case of the United States," in Pierre Bourdieu and James S. Coleman, eds., *Social Theory for a Changing Society* (Boulder: Westview Press, and New York: Russell Sage Foundation, 1991), p. 133.

104. Bruce Serlen, "Projecting an Image — You Are What You Buy," *The New York Times*, 12 February 1989, p. F13.

105. ICI, *Contemporary Art at 9 Millbank: ICI Group Headquarters* (London: ICI, n.d.).

106. John Hoole, "Foreward," in *Capital Painting: Pictures from Corporate Collections in the City of London* (London: Barbican Art Gallery, 1984), p. 5.

107. "Taking Stock: Art for Art's Sake," *Accountancy Age*, 3rd December 1987.

108. Interview, Washington D.C., September 1990.

109. Bonnie Barett Stretch, "Bankable Images," *American Photographer*, November 1986, p. 26.

110. Paula A. Poda, "Mao Prints Kept, Over Objections," *Milwaukee Sentinel*, 27 June 1987, reprinted in Bruce Ferguson *et al.*, eds., *TalkBack-Listen: The Visual Arts Program at First Bank System 1980-1990*, published by Winnipeg Art Gallery in conjunction with the exhibition *Challenge in the Workplace* at the Winnipeg Art Gallery, 13 June to 20 August 1989.

111. Dennis Evans was elected president of First Bank Minneapolis in 1980 and hired the art consultant Lynne Sowder to purchase art. She then became a full-time curator and director of the Visual Arts Program Division at the Bank in 1984. Evans resigned in late 1988 after a record loss of $500 million at the Bank, and the Program was dismantled in late 1989; see Joyce Tognini, "Banking on Art," *American Craft*, February/March 1988, pp. 48-53; Jolie Solomon, "A Minnesota Bank Banishes Artwork That Offends Staff," *The Wall Street Journal*, 19 December 1989, pp. 1, 6, and Walter Robinson, "Minnesota Bank Loses Interest in Provocative Art," *Art in America*, 78, March 1990, pp. 35, 37, 39.

112. Robinson, "Minnesota Bank Loses Interest in Provocative Art," *art. cit.*, p.37; see also Faye Rice, "The Big Payoff in Corporate Art," *art. cit.*; Richard Bolton, "The Contradiction of Corporate Culture," *New Art Examiner*, April 1990, pp. 18-21; Marjory Jacobson, *Art and Business: New Strategies for Corporate Collecting* (London: Thames and Hudson, 1993), pp. 18-22.

113. Lynne Sowder and Nathan Braulick, "A Decade of Corporate Art Programming at First Bank System," in *TalkBack-Listen*, *op. cit.*, p. 9.

114. Lynne Sowder and Nathan Braulick, "First Bank Visual Arts Program Manifesto," in *TalkBack-Listen*, *op. cit.* no page number.

115. Janice Steinberg, "When Artists Advertise," *High Performance*, 11(3), Fall 1988, p. 42. One of the artists concerned is Frank Gohlke, whose work showed a series of aerial photographs of the downtown Minneapolis site where the billboard was to be located. A bombsite was superimposed on the photographs, and the words "Where are you standing?" and "Where do you stand?" were added at opposite corners.

116. Mark Archer, "The City's Best Kept Secret," *art. cit.* p. 19.

117. Beth A. Kerrigan, "KPMG Peat Marwick Opens its Doors and Walls to Local Artists," *The Washington Accountants*, 3(3), May/June 1989.

118. "Business Brief: Medicis of the Corporate World," *The Economist*, 21 February 1981; Mark Lilla and Isabella Frank, "The Medici and the Multinationals," *Museum News*, 66(3), 1988, pp. 32-35; Frank Lipsius, "Modern Medicis," *The Financial Times*, 9 January 1986 and Birgitta Hjalmarson, "The Modern-Day Medicis," *Private Clubs*, June 1986, pp. 17-23.

119. *American Paintings at the Equitable*, leaflet published by the Equitable for its art collection, New York, n.d.

120. Herbert Schmertz, *Patronage that Pays* (New York: Business Committee for the Arts, 1987), p. 5.

121. Jerry C. Welsh, *Involving the Arts in Marketing: A Business Strategy* (New York: Business Committee for the Arts, 1986), p. 9.

122. Mark Archer, "The City's Best Kept Secret," *art. cit.*

123. Jean Lawlor Cohen, "Sculpture: It's Here and Thriving at the Washington Law Firm," *The Washington Lawyer*, 2(3), January/February 1988, p. 45.

124. *Arthur Andersen Graduate Opportunities*, recruitment brochure produced by the company in 1992. Here Arthur Andersen gives the following uplifting message to its prospective trainees:

> The works of art illustrating this brochure form part of Arthur Andersen's collection. We believe strongly in supporting the arts in the UK and buy exclusively from British artists, often from those just starting their careers. The collection is on display in corridors and offices throughout the firm. We have included a selection here to give you an impression of the environment in which we work.

125. Michael Norman, "Office Art, Buyer, Beware," *The New York Times*, 19 February 1978, section III, p. 1.

126. Nancy Marx, "Professional Class," *Manhattan Inc.*, September 1986, pp. 189-93.

127. For example, Margaret Mathews-Berenson teaches a course on corporate collecting at New York University; interview with her in New York on 5 May 1990. She also acts as an art consultant, and has advised several companies. On a smaller scale, the graduate course on *Art, Design and Commerce* at London's City University includes a session on corporate art, for which I was invited to give a talk in 1992. Subsequently it was taken over by Tatjana Gertick, who used to work for Art for Offices and thereafter opened her own consulting business, while at the same time studying for her Ph.D. on corporate art at the City University.

128. Valerie F. Brooks, "Confessions of the Corporate Art Hunters," *Artnews*, 81(6), Summer 1982, p. 108.

129. Nancy Marx, "Professional Class," *art. cit.*, p. 190.

130. They were Seagram's Carla Caccamise Ash, Forbes's Margaret Kelly, Reader's Digest's Frances Chaves, and Chemical Bank's Janice Oresman; see Nancy Marx, "Professional Class," *art. cit.*, p. 189.

131. Tate Gallery, *Corporate Membership Programme* brochure, n.d., p. 11. To become corporate members of the Tate Gallery at Partner level will cost a company £25,000 a year.

132. Nancy Balfour, "Getting Art into Business," *Arts Review Year Book 1986*, p. 32.

133. The CAS, together with the National Art Collections Fund, another art charity based on similar lines, is located just behind, and in the same building as, the Tate Gallery. The NACF moved out of the building in January 1994.

134. Nancy Balfour, "Getting Art into Business," *art. cit.*

135. For a list of exhibitions of corporate art collections, see Shirley Reiff Howarth, ed., *International Directory of Corporate Arts Collections*, *op. cit.*, as in note 31 above, pp. 481-84; see also Montgomery Museum of Fine Arts, *Art Inc.*, *op. cit.*, as in note 25 above, pp. 291-95.

136. Bruce Serlen, "Projecting an Image," *art. cit.*, as in note 104 above.

137. "Collecting on the Cutting Edge: Frito-Lay, Inc.," press release, Laguna Gloria Art Museum, Austin, Texas, dated 3 December 1987. Frito-lay is a large US food manufacturing company.

138. Terry A. Fassburg, "Introduction," in *Selections from the Frito-Lay Collection* (Dallas, Texas: Frito-Lay, Inc., 1987), p. 3.

139. Barrett B. Stretch, "The New Age of Corporate Art," *Artnews*, 87(1), January 1988, p. 71.

140. See note 137 above.

141. The Laguna Gloria Art Museum became the Austin Museum of Art in 1995, and has tentatively scheduled an exhibition of works from the Southwestern Bell Communications collection for 1988; personal correspondence with Jean Graham, Assistant Curator/Registrar, Austin Museum of Art, on 12 August 1996.

142. Rosanne Martorella, *Corporate Art*, *op. cit.*, as in note 30 above, p. 162.

143. Questions 16 to 19 in the survey requested information on the content of the collection in terms of medium, periods, styles and geographical areas. The questions, however, proved to be too complicated, or too time-consuming with the result that the

response rate was low. I asked companies to give me a complete list of the works in their collections, on which I could have based my analysis, but not all of them were willing to comply. Although Rosanne Martorella's study *Corporate Art* does contain some sort of stylistic analysis on American collections, her sampling population includes all kinds of corporate collections, and thus is not strictly relevant to our present context.

144. Jean Lawlor Cohen, "Sculpture," *art. cit.*, p. 42.

145. Interview, April 1992, London.

146. Interview, April 1992, London.

147. Interview, April 1992, London.

148. Interview, April 1992, London.

149. Pierre Bourdieu and Alain Darbel, *The Love of Art: European Art Museums and Their Public*, trans. Caroline Beattie and Nick Merriman (Cambridge: Polity Press, 1991).

150. Interview, September 1992, London.

151. Interview, January 1995, London.

152. Mark Archer, "The City's Best Kept Secret," *art. cit.*

153. Jean Lawlor Cohen, "Sculpture," *art. cit.*

154. Brian O'Doherty, *Inside the White Cube: The Ideology of the Gallery Space* (San Francisco: The Lapis Press, 1986).

155. Michael Fried, "Art and Objecthood," in Gregory Battcock, ed., *Minimal Art: A Critical Anthology* (Berkeley, London: University of California, 1995), pp. 125-27.

156. Michael Fried, *art. cit.*, pp. 120-25.

157. Nancy Zeldis, "Firms Get Serious about Art," *art. cit.*, as in note 50 above.

158. According to Haacke, Robert Kingsley was then manager of Urban Affairs in the Department of Public Affairs, Exxon Corp., New York, 1969-77; senior public affairs advisor, cultural and communications programs, Exxon, 1977-80. He died in 1980. The quotation was from Marylin Bender, "Business Aids the Arts... And itself," *The New York Times*, 20 October 1974, section 3, p.1; see Brian Wallis, ed., *Hans Haacke: Unfinished Business* (New York: The New Museum of Contemporary Art, 1986). pp. 152-55.

159. Sam Hunter, "Corporate Patronage and the Commodities Corporation Art Collection," *National Art Guide*, 2(6), 1980, pp. 24-25.

160. James F. Cooper (interview with Malcolm S. Forbes), "... Nothing will Destroy Our Culture While People are Free to Create," *Forbes*, 2 October 1989, p. 20.

161. Peter McCologh, the precise source of the quotation remains to be documented.

162. Sir Nicholas Goodison, "Art is Life," *art. cit.*, as in note 74, p. 169.

163. Jon Kessler, quoted in "Downtown Style," *Vogue (American version)*, 178(9), September 1988, p. 127.

164. "Pharmaceutical Giant Sponsors Art," *Arts Review*, September 1992, p. 440.

165. For Glaxo's dye Myodil case, see Clare Dyer, "Glaxo Litigants in Plea to Judge," *The Guardian*, 24 February 1990, p. 4; "Court Ruling Aids 150m X-Ray Claims," *The Guardian*, 13 March 1990, p. 2; "Back Pain Claims Alert," *The Guardian*, 20 July 1991, p. 3, and "£7m Settlement in 'Back Pain' Action," *The Guardian*, 1 August 1995, p. 8. Glaxo was also involved in a steroid case investigation in 1991; see Clare Dyer, "Aid Granted for Steroid Case Investigation," *The Guardian*, 22 April 1991, p. 4. The controversies surrounding Glaxo's sale of its products in the Third World, not to mention its rôle in the Western medical drug culture, are widely known. Glaxo took over Wellcome in 1995, and in May 1995 Glaxo Wellcome came into existence, the world's biggest drug company; see Roger Cowe, "Drugs Sector Swallows Dubious Growth Theory," *The Guardian*, 5 January 1996, p. 15.

166. "Downtown Style," *art. cit.*, p.125.

167. A book accompanying the TV series "Relative Values" is published by the BBC; see Louisa Buck and Philip Dodd, *Relative Values: Or What's Art Worth?* (London: BBC Books, 1991).

168. Ruth Berger, "The Corporation as Art Collector," *Across the Board*, January 1983, p. 50.

169. Sharon Shinn, "Banking on Art," *Decor*, February 1990, p. 88.

170. Robert Hughes, "Whose Art is it, Anyway?" *Time*, 4 June 1990, p. 47.

171. T. J. Jackson Lears, "The Concept of Cultural Hegemony: Problems and Possibilities," *American Historical Review*, 90(3), June 1985, p. 568.

7

CONCLUSION

The 1980s witnessed the unprecedented phenomenon of business in America and Britain making art its business, not only at the individual level of the corporate executive (businessmen are as much entitled to taste in art as anyone else) but, more surprisingly and significantly, at the level of the corporations themselves. While corporate involvement in arts and culture obviously pre-dated the 1980s, it was this decade more than any other that witnessed the harnessing of the power of corporate money for active participation in the cultural arena. What is also new is the deliberate pursuit of art not only as financial investment, but also as an image-enhancing tool, within a sector of society which had previously been regarded as, if not philistine, then at least largely ignorant of and indifferent to art. The entry of the private corporate sector into what had hitherto been, especially in Britain, an almost exclusively public domain is the most intriguing aspect of the new artistic consciousness of the '80s. This at first sight incongruous social development has a multiplicity of causes, foremost among which was a politically inspired change of policy in public arts funding. And it is here that we may be justified in discerning a direct political connection with what, for want of a better term, we may call Thatcherism/Reaganism.

This study sets out to plot a small but important part of a trajectory whose impetus lay in the free-market policies and ethos of the Reagan and Thatcher decade, and which saw the displacement of public art provision in America and Britain from its former position of privilege into the open market place. Neither Thatcherism nor Reaganism is, of course, simply a political or economic project, but a mixture of what Mrs Thatcher's former Chancellor of the Exchequer, Nigel Lawson, described as, "free markets, financial discipline, firm control over public expenditure, tax cuts, nationalism, 'Victorian values' (of the Samuel Smiles self-help variety), privatisation and a dash of populism."[1] It was a combination of a determination to "roll back the frontiers of the state" through consecutive privatising projects of Britain's nationalised industries in particular, and an ideological commitment to the free-market economy, that succeeded in changing the face of the national life during the '80s, as Britain under Thatcher strove to keep pace with the Reaganite model of enterprise culture that had already prepared the ground for these radical changes in America.

Underpinning our approach is the conviction that developments in the arts during the '80s are intimately related to political, economic and social transformations. In order to understand these, we began, in Chapter 2, by investigating the rôle of the state in relationship to the arts. While it is not possible within the limited space of this study to construct a theoretical model of what that relationship might be, we have been able, by exploring some of the theoretical considerations regarding the fundamental difference between the concepts of the state and government, to highlight some of the shortcomings in the approaches used up until now in debating the issue.

More significantly, by investigating the concept of the state, it is possible to understand how public discussion of the differences between the British and American arts funding systems has been pursued in terms that are misleading and ideologically constructed so as to serve specific interests and purposes. While it may be accurate to describe Britain as a country with an established public arts funding provision, it would be politically naïve to see America as a country where the arts are primarily funded by "private individuals." It was, however, this dominant discourse that Conservative governments adopted and advocated as their central dogma for the Thatcherite version of the enterprise culture over the past fifteen years or so. By exploring the financing of American art museums in terms of the concept of the public and the private, and by showing that the so-called "private" money used to support art museums in America is, in the final analysis, largely public (taxpayers') money, one begins to discern a hegemonic process whereby a dominant sector of society, by framing the discourse on issues of public import, has established its own views and self-interests as being universally in the public interest. It is at this juncture that one may recall what Antonio Gramsci terms "the ethical state," and his contention that the state not only has the monopoly over the use of force, but also acquires its legitimacy by virtue of its "ruling by consent."[2] This paradoxical state of affairs is one that few have been able to question effectively, not least in Britain, with the result that, by default, it commands public consent and therefore legitimacy.

It is against this concept of the state that public arts agencies such as the Arts Council of Great Britain and the National Endowment for the Arts are examined in Chapter 2. To the extent that they are located within a capitalist economy, in which the economically and therefore socially privileged few already have a dominant voice and a disproportionate share of public resources, these agencies inevitably reflect the culture of the élite group. But, by virtue of being part of the government machinery, they are clearly the providers of public arts provision at the heart of a democracy, and are therefore at least more accountable than, for example, American art museums. By exploring some aspects of their arts provision prior to the '80s, it is possible to discern the ambivalent position that these agencies occupy. The Arts Council collection funded by the British Arts Council, and the support that the Arts Endowment has given to the alternative spaces movement in America, thus exemplify the gulf between the ambition of these agencies and what they can actually achieve within a contemporary capitalist society. To recognise their dilemma is not to minimise the significant role that these public arts agencies might fulfil in the discourse of contemporary culture in the two countries, but rather to demarcate the area for which they can legitimately assume responsibility, that is, in our specific context, an area which neither the market nor private philanthropy could be expected to support.

The radical nature of the ideological re-alignment that took place during the Reagan and Thatcher decade, and the host of measures implemented within the institutional framework of the state to "reform" the alleged "welfare state mentality" in the public arts sector, are explored in Chapter 3. By examining the public arts policies of these two administrations, we are able to map out the changes directly brought about by the New Right. This is to be seen in particular in the conservatives' policies of "liberalising" tax regimes. To use tax deduction as a means of soliciting private or corporate money for the arts is in effect a disguised method of giving public subsidy. It transfers a substantial part of the choices and decisions which would otherwise have been subject to public debate in a democratic polity into the private hands of the most affluent section, if not the richest members, of society. The resultant blurring of the distinction between the public and the private thus masks what is in reality a deliberate process of privatising culture.

This process is further explicitly illustrated in the strenuous efforts made by the Reagan and Thatcher administrations to transform public arts institutions into paragons of arts privatisation. The injection of the principle and ethos of the marketplace, for example, into the Arts Council and the Arts Endowment is one of the most tangible effects of this policy. By virtue of their function as grant-making intermediaries, they pass on their entrepreneurial vision to the arts organisations that they fund throughout the country. The new order of value for money, replacing that of money for value, thus becomes cast in stone. To complete the background material necessary before we can discuss the detail of corporate art intervention, Chapter 3 ended with a consideration of the two business organs set up specifically in order to champion the corporate cause.

The actual mechanisms whereby corporations intervened and infiltrated into the world of contemporary art were the subjects of Chapters 4, 5 and 6. While these chapters are organised according to the various types of intervention undertaken by the corporations, the central thread running through them is the rôle that senior executives play in corporate art ventures. Individualism being one of the cornerstones of the enterprise culture of the Reagan and Thatcher decade, it should come as no surprise to find a particular group of individuals (especially those "wheeler-dealers" who made their fortune by speculating in the '80s deregulated market) transferring to the art world the same sort of entrepreneurial initiatives that they so successfully used in business. By virtue of the position they occupy in the business world, these chief executives/chairmen, an élite within an élite, are able to commit the companies which they oversee to far-reaching art ventures. Their economic position, in other words, enables them to accumulate substantial "cultural capital" — to use the French sociologist Pierre Bourdieu's term, and their intimate involvement in corporate art intervention has, accordingly, to be understood against the background of the social distinction to which their élite status and class aspirations are anchored.

Within the same social perspective, Chapter 4 investigated a much neglected but crucial aspect of the corporate takeover of art museums, that is, the existence of a particular group of the corporate élite who sought for themselves, and who were in turn much sought after by the Thatcher government (in the case of American art museums, by their fellow trustees), places of influence on museum and gallery boards of trustees. It was here, at these unaccountable centres of local power, that corporate power began to consolidate and build up. Our analysis shows how, once this toe-hold had been established, the great influx of corporate capital into art museums in the '80s profoundly transformed the identity of these institutions. By taking over the function, and by exploiting the social status, that cultural institutions have in our society, businesses successfully transformed them into their own public relations vehicles.

In seeking to establish themselves as a legitimate force within the art world, corporations had to integrate themselves into the infrastructure of its support system. The way in which businesses came to achieve this, by emulating what used to be the prerogative of art museums, is explained in Chapter 5. By analysing why and how public art museums came to establish branches or offshoots within corporate premises, we are able to understand how far-reaching the ambition of corporate sector was. To move art institutions physically and to make them thereby corporate tenants is not simply to consolidate further the links between art and corporations, but to appropriate to the private sector the status not only of landlord but also of guardian of national culture. The extent of their ambition is even more clearly illustrated by the art exhibitions which they held and by the art galleries that they established within their corporate premises, as if art had in fact become part and parcel of their everyday business practices.

An analysis of the corporate art collections themselves forms the subject of Chapter 6. Here what comes to the fore is the extent to which the potential of art, both as a commodity of substantial material value and as an object of grand symbolic worth, is consciously and deliberately exploited. By downplaying the material interest of art works as capital assets with (potentially) huge margins of speculative appreciation, businesses utilise the ownership and display of art as a means of strategically projecting whatever corporate image suits their needs in the marketplace. This strategy is particularly successful in the case of those companies which are keen to capitalise on the image of being progressive, forward-looking and "at the cutting edge." The '80s-style of avant-garde marketing, so to speak, thus testifies to the ever increasing sophistication of corporations in "incorporat[ing] critical culture into the management of capitalism."[3]

By directly intervening in the art market itself, corporate art collecting becomes the most influential of all forms of corporate art intervention. By their policy of active buying in the '80s, and in particular in the United States where they institutionalised themselves by appointing their own curators and establishing their own art departments, corporations achieved validation and legitimisation from within, via the infrastructure of the art world's support systems into which they themselves had been assimilated, thereby appearing as both legitimate and authentic participators. Their hegemonic position in the art world thus significantly re-structured the meaning of cultural production. So-called critical artists, by allowing themselves to be embraced by the corporate power which they ostensibly set out to criticise in the first place, are led to betray their own artistic consciences. As Barbara Kruger, justifying her selling in commercial galleries, so revealingly put it: "I began to understand that outside the market there is nothing."[4] The meaning of the art thus produced, and its integrity, are inevitably compromised, and the profound irony is that those works critical of the marketplace become in turn objects of capital not only generated by the marketplace but also validated by it.

By way of summing up developments in the '80s, and looking towards the future, I will examine briefly two particularly significant events, one from the recent past in America, the other from the present in Britain. These may serve as bridges to bring us forward to the end of the century and enable us to suggest the sort of direction that corporate intervention in the arts could take in the coming decades. What has been aptly called the "casino economy" of the '80s, in which rapid and easy profits flowed effortlessly into corporate coffers, has proved to be short-lived. If the bubble has yet to burst, there are clear signs that it is beginning to deflate. During the recession in the early '90s, the world's largest computer manufacturer, IBM, popularly known as the Big Blue, suffered the worst financial losses in its history. Like other companies across the United States, IBM undertook a large-scale downsizing, or, to use the current euphemism, "right-sizing."[5] As part and parcel of their cost-cutting efforts, IBM not only closed its Gallery of Science and Arts in its New York headquarters in August 1994, but, more significantly, sold off a substantial part of its art collection (estimated at 90 percent of its total value) through a series of auctions at Sotheby's in New York in 1995.

This collection, started by IBM's founder Thomas Watson in the late '30s and since heralded as "one of the most important American corporate collections," had, from its very beginning, fulfilled a major public relations function.[6] In the new climate of financial stringency during the early '90s, however, it came to be considered as an "unnecessary asset" and the decision was taken to dispose of it.[7] To quote the company spokesman: "We are not in the art business; we're in the information technology business."[8] This is in stark and ironic contrast to what IBM described, in its exhibition catalogue of 1989, *50 Years of Collecting: Art At IBM*, as "the *solid commitment* of the IBM Corporation worldwide to support art... [italic added]."[9] (fig. 7-1) The case of IBM is, of course, not isolated. In its heyday during the '80s, corporate intervention took on a zeal and a pace which can be seen, in retrospect, to have been both over-ambitious and over-confident. Like an Icarus rising on the wings of its own economic power, its steep climb brought it perilously close to the sun. The plumes which it borrowed on the strength of its financial profiteering are already showing signs of becoming bedraggled, and it could well be that the very power that, by its ready availability in times of economic boom, enabled its rise, will eventually, by its lack under different historical conditions, bring about its decline.

Meanwhile in Britain, art sponsorship continues to go from strength to strength, and shows no sign of the sort of decline that is beginning to be discernible on the other side of the Atlantic. The unprincipled jettisoning of an art institution's integrity, and its willingness to find a home under its roof for a sponsor's advertising campaign masquerading as an exhibition, can be seen in the current practice of the Museum of Modern Art (MOMA) in Oxford (fig. 7-2). Boastfully labelling itself as "one of

Europe's most influential museums" and taking pride in having been "Britain's leading alternative space in the '60s and early '70s,"[10] the Museum is currently holding an exhibition with the truly "pioneering" sounding title of **Absolut Vision** and subtitled *New British Painting in the 1990s*.[11] Playing on the words "absolute" "Absolut" (a brand of vodka) and "about" and their sounds and visual graphics ("s" and "l" have a different type-face), the title can be read innocently as "Absolut[e] Vision" or "Absolut Vision." If and when the penny drops, one might or might not (as I myself did not) begin to see that the title of the exhibition could also be read as "About Vision" (figs. 7-3 and 7-4). Though this interpretation is, of course, not *absolut*ely clear.

Not content with being pioneers in intrusive advertising, Absolut Vodka have also broken new ground in actively seeking to integrate themselves into the very heart of the exhibition with an audacity hitherto unknown among sponsors in Britain. Included in "their" exhibition is a Chris Ofili painting featuring their famous vodka bottle, which they specifically commissioned for the purpose (figs. 7-5 and 7-6). No less subtle as a sponsor's advertising message is the title of the work, *Imported* (fig. 7-7), which echoes the prominent wording at the foot of the actual vodka bottle as sold on the market (fig. 7-8). The painting, bearing Ofili's favoured trademark of oil paint, glitter and elephant dung, is praised by the departing director of the Museum, David Elliott, as an "exciting new work," which is destined to be added to Absolut's own corporate art collection.[12]

The question that arises is: if the show truly is a celebration of a vision into the next millennium, whose vision is it? Absolut Vodka's, MOMA's, or perhaps that of the multinationals — Vin & Sprit in Sweden, owners of the brand, or Seagram which distributes it? As a success story, the intervention into art of the Swedish-born brand Absolut Vodka has a history that can be called proud and at the same time tainted. Their thrusting commercial ambition to position their brand in the fashionable upmarket reaches of the international advertising world has been pursued at the same time as a laudable policy of associating itself with experimental and avant-garde art. Starting in 1985 when Absolut Vodka first commissioned Andy Warhol, "the godfather of pop art," to do a painting of its bottle (fig. 7-9), over 600 artists to date have been deployed in the creation of its "artful ads." The scale of the operation has been such that the firm can boast, in its own publicity material, that "Absolut Vodka has become a kind of *global art gallery* [italic added]."[13] By capitalising on the status of the avant-garde artists responsible for their advertisements, lithographic editions of which were sold at a huge profit by their former distributors, Carillon Importers of Teaneck, New Jersey, in the late '80s,[14] the owners and distributors of Absolut Vodka succeeded in transforming the spirit from a consumer commodity into an art form. As they themselves now proudly proclaim: "Art has become an important medium to express the basic values and magic of Absolut Vodka."[15]

So the ultimate question is: what sort of vision can Absolut Vodka possibly provide for us? Perhaps, as the company itself suggests, it is that "[w]hen Absolut Vodka is involved in an event, the borders between *art, fashion, PR* and *marketing* blur long before the first drink is poured."[16] Whoever's vision it is, and for whatever audience it is intended, it certainly is a new vision that has radically and irreversibly changed the way in which we look at the world of art and commerce. While the Museum of Modern Art itself is in fact funded on a long-term basis by a distinguished list of public bodies,[17] it is to the private corporate sponsor of this one-off event that the credit goes for defining for us the present direction that art is taking, and for dictating our vision of its likely future.

No one is likely to mistake the Absolut style of avant-garde marketing for a recent American import, even if the brand does happen now to be distributed in Britain by an American firm. After a decade and more of Conservative governments' promotion of the enterprise culture, entrepreneurial visions and practices in the art world are by now fully home-grown products in Britain. When Janet Minihan made her study of public funding of the arts in Britain in the mid '70s, she chose to entitle it *The Nationalization of Culture*.[18] The Conservatives' successive terms of office have certainly succeeded in reversing this process.

Although the developments that I have been describing had begun to emerge before 1980, it was the Reagan and Thatcher governments' pro-business ideology and their deliberate policy of encouraging corporate patronage that created the pervasive interlocking of the corporate and the artistic which so characterised both the American and British cultural landscapes of the '80s. By taking over art museums, corporations have significantly changed the ways in which these institutions function, as well as the ways in which we perceive them and the art works housed under their roofs. By enclosing art works within their premises, they have reframed the space and redefined the discourse on contemporary art. While public art funding in a capitalist democracy certainly has its limitations and its weaknesses, it is at least a forum, and one that is arguably open to public debate and criticism. Few corporations, on the other hand, could be made socially and politically accountable, not to say aesthetically responsible, to the same degree as the National Endowment for the Arts (and to a lesser degree the Arts Council of Great Britain) potentially can. No one can ever challenge effectively the ways in which corporations choose to utilise their numerous contemporary art collections, which give the appearance of having been bought with private money, and access to which has been restricted to an inner circle of business associates and social élites while being totally denied to the general public. But can one challenge the force behind the establishment of such corporate art empires when their privileged and dominant position in the art world has been so clearly and loudly endorsed by the public policies of the Reagan and Thatcher decade and given official legitimacy? Where does the corporate end and the public begin? Without being made more accountable to the public interest, corporate America and Britain can never transform its pursuit of power and wealth into anything more than a public-relations display, whatever temporary impact this may have on the art world.

To the extent that the privatising of art and culture has given rise to a host of developments — not all of them welcome or necessarily positive — which no one in the art world, particularly in Britain, could have anticipated, it is not unlike the opening of Pandora's box. But however many blessings may eventually be lost, there is perhaps comfort in the knowledge that hope will not be one of them. While the process of privatising culture in Britain and America has gone from strength to strength, there are other countries, France for example, which are more reluctant to follow down the path of this particular privatisation, and which continue to provide substantial state funding for the arts. Moreover, a hegemonic position is never absolute, depending as it does on an equilibrium of a whole set of different factors, and subject as it is to a never-ending process of negotiation and re-negotiation. In the context of the present study, the current dominant position of corporations in the art world is, at least, dependent on public policy, on their own economic power, and to some extent, on the ambitions and aspirations of arts institutions and their bureaucrats. The collapse of the IBM art empire may well serve as a sign of impending strain and rupture within the system, and it may well be that one day other sites of resistance can form to question and challenge what for the present remains the dominant order.

NOTES

1. Nigel Lawson, *The View From No. 11: Memoirs of a Tory Radical* (London: Bantam Press, 1992), p. 64.

2. Antonio Gramsci, *Selections from the Prison Notebooks*, ed. and trans. by Q. Hoare and G. Nowell Smith, (London: Lawrence & Wishart, 1971), p. 258; see also Perry Anderson, "The antinomies of Antonio Gramsci," *New Left Review*, 100, 1976, p. 26.

3. Richard Bolton, "Enlightened Self-Interest: The Avant-Garde in the '80s," *Afterimage*, 16(7), February 1989, p. 15.

4. Quoted in Carol Squiers, "Diversionary (Syn) Tactics: Barbara Kruger Has Her Way with Words," *Artnews*, 86(2), February 1987, p. 84.

5. For example, 45,000 employees were sacked in 1993, and a further of 35,000 jobs cut in 1994; see Mark Tran, "Big Blue Back in Black for First Time since 1990," *The Guardian*, 24 January 1995, p. 13. According to Jason Edward Kaufman's report, the employee base of IBM was reduced from 406,000 at the end of 1985 to 220,000 by the end of 1994; see "IBM Downloads," *The Art Newspaper*, 48, May 1995, p. 28.

6. Robert Mehlman, "IBM: a Short-term Success," *The Art Newspaper*, 50, July/August 1995, p. 28; see also Ann Landi, "IBM Downloads Art Collection," *Artnews*, 93, October 1994, p. 45.

7. Nicholas Bannister, "Writing on the Wall for IBM's $25m Collection of Paintings," *The Guardian*, 15 February 1995, p. 14.

8. *Ibid.*

9. IBM, *50 Years of Collecting: Art At IBM* (New York: IBM, 1989).

10. Leaflet entitled "10 Good Reasons Why You Should be a Friend of MOMA" published by the Museum of Modern Art, Oxford.

11. The exhibition, **Absolut Vision**: *New British Painting in the 1990s*, will be held at the Museum from 10 November 1996 to 23 February 1997.

12. David Elliott, "Foreword," in *About Vision: New British Painting in the 1990s* (Oxford: Museum of Modern Art, 1996), no page number. Incidentally, Elliott left the Museum in November 1996 to take up the post of Director of the Moderna Museet in Stockholm, Sweden, the country from which Absolut Vodka originates. Is it, one wonders, a mere coincidence that the exhibition is scheduled to tour to the Moderna Museet, along with the same sponsor?; see Adrian Searle, "The Best of British Painting?" *The Guardian*, 19 November 1999.

13. *From the Fine Art of Advertising to the Advertising of Fine Art,* publicity material published by the company, p. 16; see also "Absolut Beginner," *The Guardian*, 11

October 1995, p. 10.

14. According to Valerie E. Brooks, Carillon published lithographic editions of the original art (which was then added to the corporate collection). It offered for public sale through mail order unsigned prints from an edition of 1,000, and another set of 100 signed prints were kept in reserve for gifts to museums; see "Art & Business in the 80s: A Billion Dollar Merger," *Artnews*, advertising supplement, 86(1), January 1987, p. 46.

15. Göran Lundqvist (President of the Absolut Company), "Absolut Vision," in *About Vision: New British Painting in the 1990s*, *op. cit.*, no page number.

16. *From the Fine Art of Advertising to the Advertising of Fine Art*, *op. cit.*, p. 15. For Absolut sponsorship in fashion, see Sally Brampton, "Jolly Good Shows?" *The Guardian*, 25 October 1995, p. 10, and "Absolut Beginner," *art. cit.*

17. The Museum is funded by the Arts Council of England, Southern Art, Oxfordshire County Council and Oxford City Council.

18. Janet Minihan, *The Nationalization of Culture: the Development of State Subsidies to the Arts in Great Britain* (London: Hamish Hamilton, 1977).

APPENDIX 1

Questionnaire Survey on Arts Sponsorship in America and Britain

(Methodology, List of Companies Completing Questionnaire;
Copy of Questionnaire and Cover Letter)

I. Methodology (American survey)

1. *The Sampling Population*

No single directory is readily available for the population of companies which give money to the arts. For the purpose of this survey the population of American companies has been compiled from the following two directories:

Corporate Giving to the Arts 4 (New York: American Council for the Arts, 1987) (hereafter referred to as *Corporate Giving*)
National Guide to Funding in the Arts and Culture (New York: Foundation Center, April 1992) (hereafter *National Guide)*

The *National Guide* is used as the main source of information for establishing the population of the project because, published in early 1992, it is thought to be more comprehensive than the other directory. It covers 396 direct corporate giving programs and 4,257 grantmaking foundations, including those funded by companies for the purpose of distributing their philanthropic grants.

Efforts have been made to examine through the *National Guide* page by page in order to distinguish foundations funded by business from those funded by individuals, because the *National Guide* provides no index of this kind suitable for the purpose of this survey. As a result, 740 company-sponsored foundations and 386 direct corporate giving programs in the *National Guide* are found to be relevant to this study and form the basis of the population.

Using the population thus established in the *National Guide* as a basis, a further 168 companies, not included in the *National Guide*, are identified from *Corporate Giving*. Given the severe recession of early 1990s, those companies are further doubled-checked as to their continued existence by consulting such standard business directories as the *Million Dollar Directory*.

The whole population is found to comprise 1,294 companies.

The following directories, which may have similar or more comprehensive listings, are unfortunately impossible to find in Britain. (Enquiries have been made at the following libraries without success: The British Library, including those held by the British Library Documentary Centre; City Business Library; City University Business School Library; Export Market Information Centre, Department of Trade and Industry; Directory of Social Change; London Business School; London School of Economics; Science Reference Information Centre; United States Information Centre, United States Embassy; Westminster Public Reference Library.) The directories concerned are: *Corporate 500: The Directory of Corporate Philanthropy*, 10th edition (San Francisco: Public Management Institute); *Corporate Foundation Profile*, 7th edition (New York: Foundation Center); *Directory of International Corporate Giving in America and Abroad* (Detroit: Taft Group, 1992); Suzanne Haile, ed., *The National Directory of Corporate Giving*, 2nd edition (New York: the Foundation Center, October 1991); S. David Hicks, ed., *The Taft Corporate Giving Directory* (Detroit: Taft Group, 1993).

2. *Stratification of the Universe*

Stratification divides the population into sub-populations (or strata) based on additional information. Selecting samples from each stratum allows sample size within the stratum to be controlled rather than randomly determined by the sampling process, and thus increases the representativeness of the survey. The two variables concerned in this context were region and the means through which companies chose to give their contributions. For the purposes of the survey, the population is divided into six discrete geographical areas (see Exhibit 1 at the end of this Appendix).

About two thirds of the population chose to establish company foundations in order to distribute their money, and the rest of them did so either through corporate affairs or public relations departments within the company (what is referred to in the *National Guide* as "corporate giving or contribution programs"). Although there are companies which operate in both ways, a company-sponsored foundation is legally a separate entity from its sponsoring company, and thus distinguished from the direct corporate giving program structured and administered within the company.

Two possible variables which may have effects on the survey are the business type of the company and the budget size of specific arts sponsorship programmes. Because no information on them was readily available, it was not included in the process of stratification. First, there are no indications as to the business type of the company in the *National Guide*. Second, there is no information readily available on the distribution of the various sizes of arts sponsorship programmes within each geographical area. The population is simply too large to allow each company to be separately examined, given the limited time and labour at my disposal (for example, it took some ten hours to check forty addresses for the entries in *Corporate Giving*.) Accordingly the business type of the companies and their budget sizes were as part of the results of the survey.

3. *Sample Size and Selection*

The method of random sampling is adopted for this questionnaire, but the relative proportion of the distribution of foundations and direct corporate giving programs within each geographical area is taken into consideration. 303 companies from among the population were selected to be sent the questionnaire. (For detailed information on the number of questionnaires sent to each state and stratified area, see Exhibit 2).

4. *Survey Operations (Mailing and Non-response Follow-up) and Response Rate*

303 copies were mailed out locally in America in January 1993. It included a cover letter and a copy of the questionnaire. A follow-up mailing to the non-respondents of 233 companies was carried out between 31 March 1993 and 2 April 1993. The final number of responses was 123 (including the ineligible, refused, irrelevant, or invalid). 14 of the companies in the mailing were found to be irrelevant to our study, and the population was accordingly reduced to 289. The final valid responses were from 54 companies, representing a 19.69 percent.

II. Methodology (British Survey)

The primary source for the population for arts sponsorship in Britain is the corporate members of the Association of Business Sponsorship for the Arts, including its patrons and members as listed in the *1991/92 ABSA Annual Report*, with a total of 232. Based on this, I included a further 102 corporate sponsors listed in Anne-Marie Doulton, ed., *The Arts Funding Guide*, 1992 edition (published by Directory of Social Change in London), which are not ABSA members.

To obtain a complete picture of visual arts sponsors, I also included in the sampling population corporate members of the Tate Gallery, Royal Academy, Serpentine Gallery, Institute of Contemporary Arts, Whitechapel Art Gallery, Barbican Art Gallery and South Bank Centre. The inclusion of the South Bank Centre is because the Hayward Gallery does not have corporate membership separate from the Art Centre of which it is part.

The sampling population thus represents 506 in total.

To pre-test the questionnaire, I sent a copy of the questionnaire to three companies in the sample. Because of the relatively easier access to British companies, and their smaller number, compared with American companies, I sent the questionnaire to almost all of the companies in the population between 20 May 1993 and 17 June 1993, with the mailing of some 14 companies whose addresses were difficult to obtain being carried out later in October and November of 1993.

A follow-up mailing to 246 non-respondent companies was carried out between 5 August 1993 and 20 December 1993, with the mailing of some further 11 companies being mailed in January and April 1994.

The final number of responses was 365 (including the ineligible, refused, irrelevant, or invalid). 109 of the companies which did not have arts sponsorship programmes as such, but one-off donations to art institutions, were as a result excluded from the sampling population. The population in the survey thus is 397 in total. The valid responses are those from 169 companies, thus representing 42.57 percent response rate.

III. U.S. Respondents

54 American companies responded to the questionnaire. Two companies preferred to remain anonymous, and accordingly do not figure in the following list:

3 M (MN); Allied Signal, Inc (NJ); American Brands, Inc. (CT); American Express (NY); American Family Insurance (WI); BankAmerica Foundation (CA); BHP Petroleum Americas Foundation (HI); Byers Choice Ltd (PA); Centerior Energy (OH); Chesapeake Corporation Foundation (VA); Chevron (CA); Chicago Sun-Times (IL); Comerica Incorporated (MI); Consumer Power Co. Foundation (MI); Crune & Co. (MA); Cyprus Minerals Company (CO); Dominion Bankshares Corp. (VA); Donaldson Company (MN); Dr Pepper/7-Up Companies (TX); Ecolab Inc. (MN); First Interstate Bank of California Foundation (CA); First Interstate Bank of Oregon Foundation (OR); Fortis Foundation (NY); GenCorp (OH); Hoechst Cecanese Corporation (NJ); Huntington Bancshares Inc. (OH); Ingersoll Milling Machine (IL); J C Penny Company (TX); Jacobson Stores Foundation (MI); Kohler Co. (WI); Martin Marietta Corp. (MD); Maxon Corporation (IN); McDermont International (LA); Miles Kimball Company (WI); Mississippi Power & Light (MS); National Life Insurance (VT); Nestle USA (CA); Pennzoil Company (TX); Physician Mutual Ins Co. Foundation (NE); Pioneer Hi-Bred International (IA); Portland General Corporation (OR); PPC Inc. (WI); Quantum Chemical Corporation (NY); Sara Lee Corporation (IL); Shaklee Corporation (CA); Spring Industries Inc. (SC);

The Kroger Co. Foundation (OH); Transamerica Foundation (CA); Trinova Corporation (OH); Tyler Corporation (TX); United Services Life (ND); Yellow Freight System Inc (KS).

IV. U. K. Respondents

169 British companies responded to the questionnaire. Two of them preferred to remain anonymous, and accordingly do not figure in the following list:

3i plc.; A. Schmied UK Ltd.; Agnew's (Thos Angew & Sons Ltd.); AIB Bank (First Trust Bank); Arthur Andersen & Co.; ASW Holdings PLC; Baillie Gifford & Co.; Bang & Olufsen UK Ltd; Bank of Boston; Bankers Trust International plc.; Barclays Bank plc.; Barclays de Zoete Wedd Ltd; Bass Brewers; Bass Ireland Limited; Bayer plc; BASF plc.; Belfast Telegraph Newspapers Ltd.; Bisley Properties (Tobacco Dock); Booker plc.; Botts & Company Ltd.; Bourlet Martin; BP Chemical; BP International plc.; British Aerospace; plc.; British Airways plc.; British Alcan Aluminium plc.; British Telecom plc.; Broadway Malyan (Chartered Architects); Burmah Castrol plc.; C & J Clark Ltd.; Capital Radio plc.; Caterpillar (UK) Ltd.; Central Independent Television plc.; Chelsea Building Society; Chesterton International Ltd.; Chevron UK Ltd.; Christian Salvesen plc.; Citibank; Clerical Medical Investment Group; Clifford Chance; Clydesdale Bank plc.; Crown Buckley plc.; Daily Telegraph plc.; Datastream International Ltd.; Dean Clough Industrial Park Ltd.; Debenham Tewson & Chinnocks Holdings plc.; Denton Hall Burgin & Warrens; Digital Equipment Company Ltd.; Eastern Electricity plc.; English Estates; Eurotunnel plc.; Falcoon Construction; Ferguson International Holding plc.; Flack & Kurtz (UK) Ltd.; Fountains (Vienna Group of Hotels); Friends Provident Life Office; Gartmore Investment Management Ltd.; General Accident plc.; General Electricity Co. plc.; General Utilities plc.(Générale des Eaux); Gestetner Holdings plc.; Glaxo Holdings plc.; Glynwed International plc.; Grand Metropolitan Estates Ltd.; Greene King & Sons plc.; Guinness plc.; Halecrest Ltd.; Hay Management Consultants Ltd.; Herring Baker Harris; Hickson International plc.; Hill Samuel Bank Ltd.; Hiram Walker International Liqueurs; Honeywell Control Systems Ltd.; Hydro-Electric; Ibstock

Johnsen plc.; IBM UK Ltd.; Imperial Tobacco Ltd.; IMI plc.; Inchcape plc.; J Bibby & Sons plc.; J P Morgan; J T Group Ltd.; J. Sainsbury plc.; Jaguar Cars Ltd.; Jazz fm; John Good Holbrook Ltd.; Knight, Frank & Rutley; Korn/Ferry International Ltd.; KPMG Management Consulting; Legal & General Group plc.; Lloyds Bank plc.; London Life Ltd.; Loot (UK) Ltd.; Lucas Industries plc.; Maclay Murray & Spens; Manweb plc.; Martini & Ross Ltd.; McDonald's Restaurants Ltd.; Mercedes-Benz (UK) Ltd.; Midland Bank plc.; Mobil Holdings plc.; Morgan Stanley International; Morgan, Lewis & Bockius; MOMART plc.; National Grid Company plc.; National Power plc.; NCC Developments Ltd.; NCR Ltd.; Newcastle Breweries Ltd.; Nicholson & Bass Ltd.; Norsk Hydro (UK) Ltd.; Northern Electric plc.; Northern Ireland Electricity plc.; Northern Telecom Europe Ltd.; Northumbrian Water Group plc.; Norwich Union Insurance Group; OMV UK Ltd.; Pearson plc.; Phillips Fine Art Auctioneers & Valuers; Powergen plc.; Price Waterhouse & Co.; Prudential Corporation plc.; Radio Clyde Holdings plc.; Reed International plc.; Reg Vardy (Bavaria) Ltd.; Regalian Properties plc.; Royal Bank of Scotland plc.; RTZ Corporation plc.; Rudolf Wolff & Co. Ltd.; S C Johnson Wax Ltd.; Scottish & Newcastle Breweries plc.; Scottish Brewers Ltd.; Scottish Nuclear Ltd.; Seeboard plc.; Shandwick plc.; Sheppard Robson Architects; Slough Estates plc.; Sony (UK) Ltd.; South Wales Electricity plc.; Southern Water plc.; Spero Communications Ltd.; Statoil (UK) Ltd.; Tarmac Construction Ltd.; Tate & Lyle plc.; Taylor Johnson Garrett; Texaco Ltd.; The "Old Bushmills" Distillery Co. Ltd.; The Times (News International plc); The Times Supplements Ltd.; Time Out Group Ltd.; Toyota (GB) Ltd.; Troughton McAslan Architects; TSB Group plc.; Tyne Tees Television Ltd.; Ulster Television plc.; Unisys Ltd.; VAG (UK) Ltd.; Visa International; Whitbread plc.; Whyte & Mackay Group plc.; William Teacher & Sons Ltd.; Wolff Olins Ltd.; Woolwich Building Society; Yorkshire Bank plc.; Yorkshire Electricity Group plc.; Yorkshire Television Ltd.; Yorkshire Water plc.

ARTS SPONSORSHIP

A survey undertaken by Chin-tao Wu as part of the research project for the degree of Doctor of Philosophy at the University of London (in the Department of History of Art, University College London, Gower Street, WC1E 6BT, United Kingdom)
Tel: +44 71 387 9594 Fax: +44 71 387 8057

Name of the firm: ____________________
Name of the person completing this questionnaire: ____________________
Position in the firm: ____________________
Date: ____________________

Where the following questions ask you to make a choice, PLEASE TICK THE APPROPRIATE BOX(ES). When asked to specify, please print your answers legibly in the space provided. However you may write in additional comments whenever you wish to do so.

1. When did the firm start its arts sponsorship program?

____________________.

2. Name of person(s) who initiated the program?

____________________.

3. What position did (s)he hold in the firm?

____________________.

4. Why did the firm start its arts sponsorship program?

	Very Important	Fairly Important	Neither Important nor Unimportant	Fairly Unimportant	Very Unimportant
To keep up with business trends.	[ ]	[ ]	[ ]	[ ]	[ ]
Better corporate image.	[ ]	[ ]	[ ]	[ ]	[ ]
Chief Executive Officer's/Chairman's initiatives.	[ ]	[ ]	[ ]	[ ]	[ ]
Encouraged by tax concessions.	[ ]	[ ]	[ ]	[ ]	[ ]
Employee benefits.	[ ]	[ ]	[ ]	[ ]	[ ]
As a public relations practice.	[ ]	[ ]	[ ]	[ ]	[ ]
Social networking.	[ ]	[ ]	[ ]	[ ]	[ ]
Others (please specify) ____________.	[ ]	[ ]	[ ]	[ ]	[ ]
____________________.	[ ]	[ ]	[ ]	[ ]	[ ]

5. If you are the person in charge of administering the program, how long have you been in this position?

____________________.

6. If you are not the person in charge of administering the program, what position does this person hold in the firm?

____________________.

7. How long has he or she been acting in this capacity?

____________________.

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8. **Who makes the decisions for the sponsorship program? Please tick all that apply.**
   [ ] Chief Executive Officer/Chairman/Senior manager(s).
   [ ] Sponsorship committee.
   [ ] Marketing/Public relations/Corporate affairs department.
   [ ] Company foundation.
   [ ] Others (please specify) ____.
9. **Do you take initiatives to find events or institutions to sponsor or do you just accept applications?**
   [ ] Take initiatives.
   [ ] Accept applications.
   [ ] Both.

10. **Which kind of arts organizations/activities are you most likely to sponsor?**

	Very Likely	Fairly Likely	Neither Likely Nor Unlikely	Fairly Unlikely	Very Unlikely
Art centers.	[ ]	[ ]	[ ]	[ ]	[ ]
Arts councils/united arts funds.	[ ]	[ ]	[ ]	[ ]	[ ]
Community arts groups.	[ ]	[ ]	[ ]	[ ]	[ ]
Art museums.	[ ]	[ ]	[ ]	[ ]	[ ]
Museums of other types.	[ ]	[ ]	[ ]	[ ]	[ ]
Literature.	[ ]	[ ]	[ ]	[ ]	[ ]
Public TV/radio.	[ ]	[ ]	[ ]	[ ]	[ ]
Visual arts/crafts.	[ ]	[ ]	[ ]	[ ]	[ ]
National organizations.	[ ]	[ ]	[ ]	[ ]	[ ]
Theatres.	[ ]	[ ]	[ ]	[ ]	[ ]
Symphony/chamber orchestra/opera.	[ ]	[ ]	[ ]	[ ]	[ ]
Dance.	[ ]	[ ]	[ ]	[ ]	[ ]
Film/video.	[ ]	[ ]	[ ]	[ ]	[ ]
Others (please specify)____________________.	[ ]	[ ]	[ ]	[ ]	[ ]
________________________________.	[ ]	[ ]	[ ]	[ ]	[ ]
________________________________.	[ ]	[ ]	[ ]	[ ]	[ ]

11. **Which of the following is most important in deciding which organizations/institutions to sponsor?**

	Very Important	Fairly Important	Neither Important Nor Unimportant	Fairly Unimportant	Very Unimportant
Geographic location (headquarters)	[ ]	[ ]	[ ]	[ ]	[ ]
Geographic location (branch offices and plants)	[ ]	[ ]	[ ]	[ ]	[ ]
Publicity value.	[ ]	[ ]	[ ]	[ ]	[ ]
Personal preference of senior management.	[ ]	[ ]	[ ]	[ ]	[ ]
Facilities for corporate entertainment.	[ ]	[ ]	[ ]	[ ]	[ ]
Employee involvement.	[ ]	[ ]	[ ]	[ ]	[ ]
Support by other firms.	[ ]	[ ]	[ ]	[ ]	[ ]
Appeals from directors by other firms.	[ ]	[ ]	[ ]	[ ]	[ ]
Contribution to local community.	[ ]	[ ]	[ ]	[ ]	[ ]
Support by the National Endowment of Arts.	[ ]	[ ]	[ ]	[ ]	[ ]
Support by state arts councils.	[ ]	[ ]	[ ]	[ ]	[ ]
Status and reputation of the arts organization.	[ ]	[ ]	[ ]	[ ]	[ ]
Size of potential audience.	[ ]	[ ]	[ ]	[ ]	[ ]
Quality of application.	[ ]	[ ]	[ ]	[ ]	[ ]
Artistic merit.	[ ]	[ ]	[ ]	[ ]	[ ]
Management skills of arts organizations.	[ ]	[ ]	[ ]	[ ]	[ ]
Others (please specify) ____________________.	[ ]	[ ]	[ ]	[ ]	[ ]
________________________________.	[ ]	[ ]	[ ]	[ ]	[ ]
________________________________.	[ ]	[ ]	[ ]	[ ]	[ ]

12. **Approximately how much is your annual budget for arts sponsorship?**
____.

13. **What percentage of this annual budget do you give for sponsorship to art museums/visual arts organizations?**
[ ] 0 - 5 %
[ ] 6 - 10 %
[ ] 11 - 15 %
[ ] 16 - 20 %
[ ] 21 - 25 %
[ ] 26 - 50 %
[ ] Above 50 %

14. **Have you been involved in the program of the art institution to which you have given the sponsorship?**
[ ] Yes, (please specify)
____
____.
[ ] No.

15. **Who are the targeted audience for your arts sponsorship?**

	Very Important	Fairly Important	Neither Important Nor Unimportant	Fairly Unimportant	Very Unimportant
Senior civil servants/politicians.	[ ]	[ ]	[ ]	[ ]	[ ]
Opinion formers/journalists.	[ ]	[ ]	[ ]	[ ]	[ ]
Customers of the company.	[ ]	[ ]	[ ]	[ ]	[ ]
General public.	[ ]	[ ]	[ ]	[ ]	[ ]
Others (please specify) ______________.	[ ]	[ ]	[ ]	[ ]	[ ]
______________________.	[ ]	[ ]	[ ]	[ ]	[ ]

16. **What success do you think the arts sponsorship program has achieved for the firm in the following categories?**

	Very Successful	Fairly Successful	Neither Successful Nor Unsuccessful	Fairly Unsuccessful	Very Unsuccessful
Good public relations.	[ ]	[ ]	[ ]	[ ]	[ ]
Employee benefits.	[ ]	[ ]	[ ]	[ ]	[ ]
Corporate hospitality.	[ ]	[ ]	[ ]	[ ]	[ ]
Targeted audience.	[ ]	[ ]	[ ]	[ ]	[ ]
Improved corporate image.	[ ]	[ ]	[ ]	[ ]	[ ]
Others (please specify)______________.	[ ]	[ ]	[ ]	[ ]	[ ]
______________________.	[ ]	[ ]	[ ]	[ ]	[ ]

17. **Does your firm have corporate membership of any art museums?**
[ ] Yes, (please specify)______________________________
____.
[ ] No.

18. **Have you ever sponsored or initiated any arts awards?**
[ ] Yes.
a. Please specify ______________________________
____.

b. In what discipline(s) of the arts (eg. theater, dance, music, visual arts etc.)
____.
[ ] No.

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19. Have you operated matching-gift programs for art museums?

[ ] Yes, (please specify)____

____.

[ ] No.

20. Does your firm have membership of any of the following organizations? Please tick all that apply.

[ ] Arts and Business Council.
[ ] Business Committee for the Arts.
[ ] The National Association for Corporate Art Management.
[ ] None.

21. Has your Chief Executive Officer/Chairman or any of your senior manager(s) ever served on the board of trustees of art museums or art-related organizations?

[ ] Yes, (please specify)____

____.

[ ] No.

22. Have there been any major changes in your sponsorship program during the decade of the 1980s?

[ ] Yes, (please specify)____

____

____

____.

[ ] No.

23. Please list any local or national awards your firm has received for its support of the arts:

Award	Date	Description

24. Please write down the names of the major art museums/visual arts organizations to which your firm has given support during the years 1985 to 1990:

Art museums/visual arts organizations	Years

Please return the questionnaire to: Chin-tao Wu, 5 Gun Street, Bishopsgate, London, E1 6AH, United Kingdom. Please also remember to enclose your annual report/accounts and other pertinent material on your arts sponsorship program.

THANK YOU VERY MUCH!

UCL

University College London
Gower Street
London WC1E 6BT

Tel: 071-387 7050 Ex.4597/6
Direct Line 071-387 9594
Fax: 071-387 8057

Department of History of Art

Please reply to: 5 Gun Street, Bishopsgate, London E1 6AH, United Kingdom

4 January 1993

Dear

I am a Ph.D. student in the Department of History of Art at University College London. My research is a comparative Anglo-American study of the relationship between the State, corporations and contemporary art during the 1980s.

In order to present a more comprehensive picture of corporate giving to the arts, I need concrete statistical data to support my findings. Your firm has been listed in the *National Guide to Funding in Arts and Culture* and seems to be a very interesting case. I would be very grateful if you could help me to complete the questionnaire. Even if not all the questions are relevant to your corporate giving program, your response will still be of interest to me.

Some of the questions require detailed information and if you find it inconvenient to find out the exact answers, I would be very grateful if you can give an approximate indication.

Any information you kindly give me will be treated as strictly *confidential* and will be used for research purposes only. No names of persons or references to the budget and policies of specific firms will be made in the thesis. If you do not wish the name to be listed as a source of information in any respect, please indicate in your reply.

I hope the result of the research will be of interest to you and I will send a summary to you in due course. When the research is published in the future, its details will be sent to you as well.

Is it possible for you to send me the company annual report and accounts, and other pertinent material on your arts sponsorship program?

I would very much appreciate a reply within the next four weeks, even if it is only to inform me that you can not participate in this project. Thank you very much for the help. I look forward to hearing from you soon.

Very truly yours,

Chin-tao Wu

Exhibit 1

Regions Used for Stratification

Region	States and Territories Included
East coast - north	CT, ME, MA, NH, NJ, NY, PA, RI, VT
East coast - south	AL, DC, DE, FL, GA, KY, LA, MD, MS, NC, SC, TN, VA, WV
Lake district areas	IA, IL, IN, MI, MN, OH, WI
Mid - north	AR, AZ, CO, KS, MO, NM, OK, TX, UT
Mid - south	MT, ND, NE, SD, WY
West coast	AK, CA, HI, ID, NV, OR, WA

Exhibit 2

List of Foundations and Corporate Giving Programs in Each State and Geographical Area

	Foundation	Selected	Direct Giving Program	Selected	Corporate Giving Dir.	Selected	Total
CT	16	4	20	3	11	3	10
ME	5	1	1	0	0	0	1
MA	28	5	16	3	5	0	8
NH	0	0	0	0	4	1	1
NJ	13	1	17	5	10	2	8
NY	90	24	49	16	24	9	49
PA	52	12	24	5	11	0	17
RI	6	1	1	0	2	1	2
VT	2	0	1	1	0	0	1
Sub-Total	212	48	129	33	67	16	97
AL	6	1	3	0	1	0	1
DC	8	2	4	1	3	0	3
DE	3	1	4	1	0	0	2
FL	10	2	4	1	2	0	3
GA	16	3	6	2	0	0	5
KY	4	1	4	1	1	0	2
LA	2	1	1	0	1	1	2
MD	16	4	2	0	1	0	4
MS	2	0	1	1	1	1	2
NC	17	3	7	2	5	0	5
SC	7	1	3	1	1	0	2
TN	5	1	2	1	1	1	3
VA	22	6	9	2	1	1	9
WV	1	0	0	0	0	0	0
Sub-Total	119	26	50	13	18	4	43
Total	331	74	179	46	85	20	140

(...table continues)

	Foundation	Selected	Direct Giving Program	Selected	Corporate Giving Dir.	Selected	Total
IA	16	4	5	2	0	0	6
IL	58	13	27	6	13	6	25
IN	12	3	6	1	4	0	4
MI	25	6	11	3	3	1	10
MN	28	6	21	5	6	1	12
OH	60	15	27	6	6	1	22
WI	57	11	10	2	7	0	13
Sub-Total	256	58	107	25	39	9	92
AR	6	2	4	1	0	0	3
AZ	3	1	4	1	2	1	3
CO	3	1	5	1	2	1	3
KS	6	2	1	0	0	0	2
MO	31	7	9	2	3	1	10
NM	0	0	0	0	0	0	0
OK	8	1	5	1	3	0	2
TX	18	4	21	5	13	2	11
UT	0	0	0	0	0	0	0
Sub-Total	75	18	49	11	23	5	34
MT	0	0	0	0	0	0	0
ND	1	0	0	0	1	1	1
NE	7	3	0	0	0	0	3
SD	0	0	0	0	0	0	0
WY	0	0	0	0	0	0	0
Sub-Total	8	3	0	0	1	1	4
Total	339	79	156	36	63	15	130

(...table continues)

	Foundation	Selected	Direct Giving Program	Selected	Corporate Giving Dir.	Selected	Total
AK	1	0	0	0	0	0	0
CA	43	10	31	7	12	2	19
HI	6	2	1	0	1	0	2
ID	0	0	2	1	2	0	1
NV	3	0	2	0	0	0	0
OR	8	2	5	1	3	2	5
WA	9	2	10	3	2	1	6
Sub-Total	70	16	51	12	20	5	33
Total	740	169	386	94	168	40	303

Notes to the columns:

Column 1: abbreviations of States.
Column 2: number of foundations listed in *National Guide*.
Column 3: number of foundations selected.
Column 4: number of direct corporate giving programs listed in *National Guide*.
Column 5: number of companies listed in *Corporate Giving* but not included in *Natioanl Guide*.
Column 6: number of companies selected from *Corporate Giving*.

APPENDIX 2

Questionnaire Survey on Corporate Art Collections in America and Britain

(Methodology; List of Companies Completing Questionnaire;
Copy of Questionnaire and Cover Letter)

I. Methodology (American Survey)

1. *The Sampling Population*

The population for the questionnaire on corporate art collections is compiled from the following two directories:

> Shirley Reiff Howarth, ed., *International Directory of Corporate Art Collections*, 1990-91 edition (Largo, Florida: International Art Alliance, Inc. and New York: ARTnews Associates, 1990) (hereafter *International Directory*)
>
> *American Art Directory 1991-92*, 53rd edition (New York: R. R. Bowker's Database Publishing Group, 1991.) (hereafter *Art Directory*)

The *International Directory* is the most comprehensive listing of its kind. It contains 833 entries for corporate art collections of various kinds in the United States. Our study, however, aims at surveying those companies which have demonstrated commitment to collecting contemporary art works. Those collections which are exclusively dedicated to works from the period before 1945 or artifacts which are completely irrelevant to the concerns of this study are therefore excluded. The following criteria of what constitutes "an art collection" are further employed to establish the population for the study:

> The number of items in the collection must be no less than 100 or there must be a full-time curator in charge of the collection.

A large number of the listings in the *International Directory*, however, have no indication as to the total number of works in their collections, and it is impossible to trace such information without directly contacting each of the companies. Those collections are treated as part of the population because to exclude them would mean omitting a fairly large number of companies whose characteristics would otherwise not be understood properly, and the representativeness of the samples selected would therefore be prone to bias.

129 corporate art collections were listed in *Art Directory*. 20 of them not already listed in the *International Directory* were also selected. The population of the survey thus identified is 511 in total.

2. *Stratification of the Universe*

Stratified sampling is adopted here in selecting samples for this questionnaire. The choice of this method has been made possible because the information required is available in the *International Directory*. It is aimed at ensuring that appropriate numbers of the companies are drawn from the homogeneous subsets of the population, and the degree of representiveness in the sampling can therefore be increased.

The whole population has thus been organised into discrete groups based on three stratification variables: the geographical location of the company, its business type and the size of its collection. The divisions of geographical areas are the same as those used for the questionnaire on arts sponsorship (see Exhibit 1 at the end of the Appendix 1). Companies are further divided into five groups according to the number of items in the collection, as follows:

Number of items in collection		Number of companies
1. from 100 to 200		102
2. from 201 to 500		124
3. from 501 to 1,000		55
4. more than 1,000		83
5. unknown		147
	Total	511

For classifying the company business types, the Standard Industrial Classification (SIC) is applied with adaption for the specific needs of this study; see Exhibit 1 at the end of

Appendix 2.

3. *Sample Size and Selection*

I decided to send out 250 copies of the questionnaire for the survey. I first divided the population into five groups according to the size of the collection and calculated how many samples within each group should be selected.

I then divided each group into six geographical areas. Within each geographical location, the population is further stratified by the business type of the company. The final selection of the samples is basically random in order to avoid any bias, but based on the relative proportion of the population represented by a given group, either by the size of the collection, the geographical location, or by the business type, within the desired sample size.

4. *A Small Sample*

In addition to the survey for the whole country, I also sent copies of the questionnaire to each of the companies which I visited in Washington D.C. and New York in the summer of 1990 and a few companies which seemed to be very interesting cases, even though it was not certain that they fulfilled the criteria adopted in defining the population of the questionnaire. This small sampling was intended to double-check the information which I had collected in the summer of 1990, and to monitor changes, if any, occurring over the past two years, especially under the severe recession.

4. *Survey Operation (Mailing and Non-response Follow-up) and Response Rate*

289 copies sent out in January 1993. This included a cover letter and a copy of the questionnaire. A follow-up mailing to the non-respondents of 227 companies was carried out in April 1993. Two more companies in Washington D.C. further completed the questionnaire on my return visit in April 1995.

The final number of responses was 122 (including the ineligible, refused, irrelevant or invalid). Five of the companies which were in the mailing are irrelevant to the study, with one company having gone out of existence. 89 companies completed the questionnaire. However, five of them have only art works produced before 1945, 13 collections listed in the *International Directory* with an unspecified number of works were found to be too small to include in the population, and one questionnaire is too incomplete to be included in the final analysis. The population is accordingly reduced to 487. The valid responses were 70, representing a 26.65 percent response rate.

II. Methodology (British Survey)

There are three main sources of information on corporate art collectors in Britain: the 1990-92 *International Directory of Corporate Art Collections* (as in American survey above), a list given to me by the National Art Collection Fund (NACF), which organised an exhibition, *The New Patrons: Twentieth-Century Art from Corporate Collections* (3-24 January 1992) at Christie's, and the membership list from the *1991 Annual Report* of the Association for Business Sponsorship of the Arts, which lists any company member with a corporate art collection.

There were 79 companies listed in the *International Directory* as owning collections of some kind in Britain; some 11 companies in the list from the NACF, and a further 26 companies listed in ABSA annual report (including a list of 6 corporate collectors in Scotland provided by ABSA Scotland), which were not covered by the *International Directory*. In addition to these three sources, I supplemented some 34 companies from my own secondary source reading or other informants in the art world. The total of the population at the beginning was 151.

I wrote or telephoned each of the companies regardless of the nature of their collections in February 1992 to request information on their art collections, along with any other involvement in the contemporary art world. Firstly, I was unsure whether the information in the *International Directory* or the ABSA annual report was accurate or comprehensive. Secondly, to know some collections of non-art can often shed light on why certain companies are more keen to collect contemporary art than others.

As a result, 16 companies in the *International Directory*, for example, were found to have no/significant contemporary art collections (e.g. Colman Foods, John Harvey & Sons, Inchcape & Co. plc), or collections that were not in Britain (e.g. Banque Paribas, Rabobank Nederland); another 4 collections were sold, while 3 companies had ceased trading.

Because of the different size of the British economy, when selecting companies for the survey, I lowered the limit to 50 works in the collection provided that the collection contained a certain number of substantial works. Nor did at the time of my survey any British company have a full-time curator, as the American companies sometimes did. As a result, this previous criterion was not applicable to British companies. Given this criterion, and after preliminary contact, the total number of the sampling population is 110.

To pre-test the questionnaire, I sent a copy to three of the companies in the sampling population. 110 copies of the questionnaires were then sent to the companies between 17 June and 20 September 1994. A follow-up mailing of 61 non-respondent companies was carried out between 1 August and 27 September 1994, with the last two mailed out on 21 February 1995. Because of the relative easy access to British companies, I was also able to complete the follow-up telephone calls.

The final number of responses was 79 (including the ineligible, refused, irrelevant or invalid). 16 of the companies in the mailing were found to be irrelevant to our study, and the population was accordingly reduced to 94. 42 companies completed the questionnaire, but one of them were not relevant to the survey (only collects early twentieth-century works), one collection owned by a foreign company is found not to have substantial holding in Britain, and the other two was too small, despite the fact that the works they owned were substantial). The valid responses are from 38 companies. The response rate is accordingly 35.85 percent.

III. U. S. Respondents

89 American companies responded to the questionnaire. One company preferred to remain anonymous, and accordingly does not figure in the following list:

3M (Minnesota Mining & Manufacturing Inc.) (MN); American Express Company (NY); Amoco Corporation (IL); Amway Corporation (MI); Arnold & Porter (DC); Arthur Andersen (DC): Banc One Arizona (AZ); Bank of Boston (MA); Bellevue Hospital Center (NY); BE & K Inc. (AL); Blount, Inc. (AL); Bristol-Myers Squibb Co. (NJ); Broad Inc. and Kaufman and Broad Home Co. (CA); Brown & Bain (AZ); Burlington Northern Railroad (MN); Burroughs Wellcome Company (NC); Charlotte Observer (Knight Publishing Co.) (NC); Chase Manhattan Bank (NY); Chubb Life America (NH); Ciba-Geigy Corporation (NY); Cigna Museum & Art Collection (PA); CitiBank (NY); Commerce Bancshares, Inc. (MO); Commodities Corporation (NJ); Consolidated Freightways, Inc. (CA); Continental Corporation (NY); Covington & Burling (DC); Debevoise Plimpton (DC); Deere & Company (IL); Domino's Pizza, Inc. (MI); Dow Jones & Company (NY); Drug Emporium (OH); Eli Lilly and Company (IN); Federal Reserve Bank of Boston (MA); Federal Reserve Bank of Minneapolis (MN); First Bank System Inc. (MN); Franchise Finance Corporation of America (AR); Fried, Frank, Harris, Shriver & Jacobson (NY); Fried, Frank, Harris, Shriver, Jacobson (DC); Gaylord Entertainment Co. (TN); General Mills Inc. (MN); Grubb & Ellis Company (CA); Hallmark Card Inc. (MO); Heublein Inc. (CT); Home Box Office (HBO) (NY); IBM Corporation (NY); IMT Insurance Co. (Mutual) (IA); Joseph E. Seagram & Sons Inc. (NY); Kelly, Hart & Hallman (TX); Kemper National Insurance Companies (IL); Kilpatrick & Cody (GA); KPMG Peat Marwick (FL); Kutak Rock (NE); Laughner's Brothers Inc. (IN); Lincoln National Corporation (IN); Lintas Worldwide (NY); Lovelace Medical Foundation (NM); Lutheran Brotherhood (MN); Meredith Corporation (IA); Miller & Chevalier (DC); Nations Bank (FL); Nations Bank (VA); O'Melveny & Myers (CA); Pacific Telesis Group (CA); Paul, Hastings, Janofsky & Walker (CA); Persis Corporation (HI); Philip Morris Companies Inc. (NY); Pitney Bowes Inc. (CT); Playboy Enterprises, Inc. (IL); Rancon Financial (CA); Safeco Insurance Co. (WA); Standard Federal Bank (MI); State Street Bank & Trust Co. (MA); Sullivan & Cromwell (D.C.);

the Drackett Company (OH); the Haskell Company (FL); The Rouse Company (MD); The St Paul Companies (MN); Transco Energy Company (TX); Trenam, Simmons, Scharf, Barkin, Frye, O'Neil (FL); TRW Inc. (OH); U.S. Equities Realty, Inc. (IL); Union Bank of Switzerland (NY); United Missouri Bancshares, Inc. (MO); Vinson & Elkins (TX); Virlane Foundation (K & B Inc.) (LA); Wilmington Trust Co. (DE); Yellow Freight System Inc. (KS).

IV. U. K. Respondents

42 British companies responded to the questionnaire.

3i plc.; A. M. Transport (Shotts) Ltd.; AIB Allied Irish Bank; Arthur Anderson & Co.; Bank of Scotland; Bankers Trust Company London; BAA Heathrow Airport Ltd; BOC Group; the British Petroleum; British Rail Pension Fund; Brodies Solicitors; Chase Manhattan Bank; Cheltenham & Gloucester Building Society; Clydesdale Bank plc; Coopers & Lybrand; Freshfields; Hiscox Holdings Ltd.; IBM U.K. Ltd.; ICI Group Headquarters; Lloyds Bank; Long Term Credit Bank of Japan; MCL Group Ltd.; Midland Bank plc.; Mobil North Sea Ltd.; Pearl Assurance plc.; Price Waterhouse; Provident Financial; Prudential Corporation; Rothmans/PeterStuyvesant; Royal Bank of Scotland; Save & Prosper; Scottish Amicable; Sedgwick Group; Shell UK; W H Smith Group plc.; Société Générale Strauss Turnbull Securities Ltd; TSB Group plc.; Tyne Tees Television Ltd; U.B.S. Ltd.; United Distillers; Virgin Communication Ltd.; R. Watson & Sons.

CORPORATE ART COLLECTIONS

A survey undertaken by Chin-tao Wu as part of the research project for the degree of Doctor of Philosophy at the University of London (in the Department of History of Art, University College London, Gower Street, London, WC1E 6BT)
Tel: 071- 387 9594 Fax: 071- 916 5939

Name of firm: ______________________
Name of person completing questionnaire: ______________________
Position in the firm: ______________________
Date: ______________________

Where the following questions ask you to make a choice, PLEASE TICK THE APPROPRIATE BOX(ES). When asked to specify, please print your answers legibly in the space provided. However you may write in additional comments whenever you wish to do so.

A. **The History and Content of the Collection:**

1. **When did the firm start collecting works of art?**
______________________.

2. **Name of person(s) who initiated the collection?**
______________________.

3. **What position did (s)he hold in the firm?**
______________________.

4. **Why did (s)he initiate the collecting?**

	Very Important	Fairly Important	Neither Important Nor Unimportant	Fairly Unimportant	Very Unimportant
He or she had a personal interest in art.	[ ]	[ ]	[ ]	[ ]	[ ]
Relocation or expansion of the firm.	[ ]	[ ]	[ ]	[ ]	[ ]
To keep up with business trends.	[ ]	[ ]	[ ]	[ ]	[ ]
To enhance the working environment.	[ ]	[ ]	[ ]	[ ]	[ ]
To generate good public relations.	[ ]	[ ]	[ ]	[ ]	[ ]
Part of advertising effort.	[ ]	[ ]	[ ]	[ ]	[ ]
Tax concessions.	[ ]	[ ]	[ ]	[ ]	[ ]
Investment.	[ ]	[ ]	[ ]	[ ]	[ ]
Others (please specify)______________.	[ ]	[ ]	[ ]	[ ]	[ ]
______________________.	[ ]	[ ]	[ ]	[ ]	[ ]

5. **Did you use outside art consultant(s) when you first purchased art works?**
[ ] Yes.
[ ] No.

6. **What was your initial purchasing budget?**
[ ] Under £31,250.
[ ] £31,251 to £62,500.
[ ] £62,501 to £312,500.
[ ] £312,501 to £625,000.
[ ] Above £625,000.

7. **Did you obtain tax benefits from purchasing works of art? Please tick all that apply.**
[ ] Yes, they qualified as revenue expenditure.
[ ] Yes, they qualified for capital allowances.
[ ] Yes, we reclaimed VAT on art purchases.
[ ] Yes, others (please describe in a few words what was the benefit)______________.
[ ] No.

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8. **Have sales of art works from your collection ever had any Capital Gains Tax implications?**
[ ] Yes, (please specify)________________________________
________________________________.
[ ] No.

9. **Who has the authority to select works for the collection? Please tick all that apply.**
[ ] Chairman/Chief Executive/Senior manager(s).
[ ] In-house art committee.
[ ] In-house art curator(s).
[ ] Outside art consultant(s).
[ ] Public relations or advertising departments.
[ ] Art dealer(s).
[ ] Others (please specify)________________________________.

10. **Do you gather information on artists and their works by consulting... Please tick all that apply.**
[ ] Chairman/Chief Executive/Senior manager(s).
[ ] In-house art committee.
[ ] In-house curator(s).
[ ] Public relations or advertising departments.
[ ] Outside art consultant(s).
[ ] Art dealer(s).
[ ] Other firms which also collect art.
[ ] National-level Arts Councils or Regional Arts Boards.
[ ] Others (please specify)________________________________

11. **Do you have the following units or positions in your firm? (If not, please go to question 13.)**

[ ] Part-time curator	Date of establishment	________
[ ] Full-time curator	Date of establishment	________
[ ] Art committee	Date of establishment	________
[ ] Art department	Date of establishment	________

12. **If you have one or more full time curators in the firm, what are their professional qualifications?**
____
________________________________.

13. **If you do not have the above units or positions, what position does this person in charge of the collection hold?**
________________________________.

14. **Through whom (or with which galleries) have you made purchases?**
Please specify ________________________________
____
____
____
____
____
________________________________.

15. **How many items are there in your collection?**
________________________________.

16. **How many works in the following medium are there in your collection? (Exclude posters and reproductions.) Please give a number, however approximate, throughout the next four questions.**

[ ] Oils.	________
[ ] Watercolours.	________
[ ] Sculptures & objects.	________
[ ] Prints (limited edition only).	________
[ ] Drawings.	________
[ ] Photographs.	________
[ ] Crafts(textiles/fibre art/ceramics, etc.).	________
[ ] Mixed media.	________
[ ] Other (please specify)________________.	________

17. How many works from the following periods are there in your collection? (Exclude posters and reproductions.)

[ ] Before 1945. ____________
[ ] 1945 to 1959. ____________
[ ] 1960s. ____________
[ ] 1970s. ____________
[ ] 1980s. ____________
[ ] 1990s. ____________

18. How many works in each of the following categories are there in your collection? (Exclude posters and reproductions.) Please distinguish between sculpture and two dimensional works where appropriate.

[ ] Styles before 1945. ____________
[ ] Abstract Expressionism. ____________
[ ] Minimalism. ____________
[ ] Conceptual art. ____________
[ ] Pop art. ____________
[ ] Neo-Expressionism. ____________
[ ] Photorealist. ____________
[ ] Pattern painting. ____________
[ ] Figurative/Modern. ____________
[ ] Figurative/Traditional. ____________
[ ] Land art. ____________
[ ] Fluxus and Arte Povera. ____________
[ ] Installations. ____________
[ ] Others, (please specify)____________________________. ____________

*** If you are uncertain in which categories to place any of your works, would you instead please enclose a list of artists in your collection when you return the questionnaire ?**

19. How many works in your collection are by artists from the geographical groups below? (Exclude posters and reproductions.)

[ ] Regional. ____________
[ ] National. ____________
[ ] U.S.A. ____________
[ ] European. ____________
[ ] Asian. ____________
[ ] African. ____________
[ ] South and Central American. ____________
[ ] Others (please specify)____________________________. ____________

20. In your decision to purchase works, how influential is the fact that the work(s) of the artist has already been purchased/collected by one of the following?

	Very Influential	Fairly Influential	Neither Influential Nor Uninfluential	Fairly Uninfluential	Very Uninfluential
Arts Council of Great Britain.	[ ]	[ ]	[ ]	[ ]	[ ]
Regional Arts Boards.	[ ]	[ ]	[ ]	[ ]	[ ]
Other public bodies.	[ ]	[ ]	[ ]	[ ]	[ ]

21. How influential is the fact that the artist's works are already collected by other firms?

	Very Influential	Fairly Influential	Neither Influential Nor Uninfluential	Fairly Uninfluential	Very Uninfluential
Firms in the region.	[ ]	[ ]	[ ]	[ ]	[ ]
Firms of national significance.	[ ]	[ ]	[ ]	[ ]	[ ]
Firms of international significance.	[ ]	[ ]	[ ]	[ ]	[ ]

22. How influential is the fact that the artist's works are already collected by art museums?

	Very Influential	Fairly Influential	Neither Influential Nor Uninfluential	Fairly Uninfluential	Very Uninfluential
Art museums in the region.	[ ]	[ ]	[ ]	[ ]	[ ]
Art museums of national significance.	[ ]	[ ]	[ ]	[ ]	[ ]
Art museums of international significance.	[ ]	[ ]	[ ]	[ ]	[ ]

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23. Do you purchase works from young artists without an established reputation?

[ ] Yes.
[ ] No.

24. Are there any art works which depict nudity in your collections?

[ ] Yes.
[ ] No.

25. Does the firm have a preference for figurative or abstract works?

[ ] Yes, figurative works.
[ ] Yes, abstract works.
[ ] No preference.

26. Are there any works of art which you think would NOT be appropriate for the corporate environment?

[ ] Yes, (please specify)____
____.
[ ] No.

B. Your Current Practice:

27. What is the current value of your collection?

[ ] Under £62,500.
[ ] £62,501 to £312,500.
[ ] £312,501 to £625,000.
[ ] £625,001 to £6,250,000.
[ ] Above £6,250,000.

28. If you continue to buy art, how regular will your purchases be? Please tick all that apply.

[ ] Irregular.
[ ] We have an annual budget for purchases.
[ ] It depends on the expansion of the firm's floor space.
[ ] It depends on the profitability of the firm.
[ ] Others (please specify)____.

29. If you do not continue to buy art, can you say why? Please tick all that apply.

[ ] Change of senior management.
[ ] Decline in trading profits.
[ ] No more space for displaying art works.
[ ] Current recession.
[ ] Others, (please specify)____.

30. Is your present annual purchasing budget in the region of:

[ ] Under £31,250.
[ ] £31,251 to £62,500.
[ ] £62,501 to £312,500.
[ ] £312,501 to £625,000.
[ ] Above £625,000.

31. If you use outside art consultant(s) or dealer(s), on what basis do you do so?

[ ] Occasionally.
[ ] On a retainer basis.
[ ] Do not use outside consultant(s).

32. Where do you display art works? Please tick all that apply.

[ ] Reception lobby(s).
[ ] Corporate hospitality dining rooms.
[ ] Chairman's suite and the executive floor.
[ ] Offices.
[ ] Staff restaurants.
[ ] In the open air.
[ ] Others (please specify) ____.

C. The Functions of the Collection:

33. **What corporate image do you hope to project from your collection?**
Please describe in a few words: ______________________________
____
____
______________________________.

34. **Will you lend works from your collection to art museums/galleries?**
[ ] Yes.
[ ] No.

35. **Have any of the works from your collection been exhibited in art museums/galleries?**
[ ] Yes, (please specify which art museums/galleries)______________________________
______________________________.
[ ] No.

36. **Have you organised any exhibitions of works from your collection to date? Please tick all that apply.**
[ ] Yes, within corporate facilities.
[ ] Yes, tours to outside venues. (Please specify)______________________________.
[ ] No.

37. **Have you ever organised any art activities for the employees? Please tick all that apply.**
[ ] Yes, lectures.
[ ] Yes, guided tours of art works.
[ ] Yes, art receptions (previews).
[ ] Yes, others (please specify)______________________________.
[ ] No.

38. **Have you ever had outside visitors to the collection? Please tick all that apply.**
[ ] Yes, scholars and researchers.
[ ] Yes, clients, business associates and guests.
[ ] Yes, organized educational groups.
[ ] Yes, general public.
[ ] Yes, others (please specify)______________________________.
[ ] No.

39. **Have you ever sold any works from the collection?**
[ ] Yes.
[ ] No.

40. **Have you ever donated any works from the collection to art museums/galleries?**
[ ] Yes.
[ ] No.

41. **Has your collection been discussed in any periodicals?**
[ ] Yes, (please specify)______________________________
______________________________.
[ ] No.

42. **Have you published any catalogues or brochures for your collection?**
[ ] Yes, catalogues.
[ ] Yes, brochures.
[ ] No.

43. **Have you ever illustrated any works from the collection in other publications of the firm?**
[ ] Yes, (please specify) ______________________________
______________________________.
[ ] No.

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44. Has your firm received any local or national awards for its art collection?

[ ] Yes.

Please give the following details:

Award	Date	Description
______	______	______
______	______	______
______	______	______

[ ] No.

D. Other Involvement in the Arts:

45. How often do you commission works of art?

[ ] Never.
[ ] Seldom.
[ ] Several pieces a year.
[ ] Other, (please specify)______.

46. Have you ever operated an art gallery within your corporate facilities?

[ ] Yes, (please specify)______.
[ ] No.

47. Do you or have you ever hosted a branch of a public museum or gallery within your corporate facilities?

[ ] Yes, (please specify)______.
[ ] No.

48. Does your firm have corporate membership of any art museums/galleries?

[ ] Yes, (please specify) ______.
[ ] No.

49. Have you operated matching-gift programs for art museums/galleries?

[ ] Yes, (please specify) ______.
[ ] No.

50. Have you ever sponsored or initiated any arts awards?

[ ] Yes.

a. Please specify ______
______.

b. In what discipline(s) of the arts (eg. theatre, dance, music, visual arts etc.)
______.

[ ] No.

51. Does your firm have membership of any of the following organisations? Please tick all that apply.

[ ] Per Cent Club.
[ ] Business in the Community.
[ ] Association for Business Sponsorship of the Arts.
[ ] None.

52. Has your Chairman/Chief Executive or any of your senior managers ever served on the board of trustees of art museums/galleries or art-related organisations?

[ ] Yes, (please specify) ______
______
______.

[ ] No.

Please return the questionnaire to: Chin-tao Wu, 5 Gun Street, Bishopsgate, London, E1 6AH. Please also remember to enclose your annual report/accounts and other pertinent material on your art collection.

THANK YOU VERY MUCH!

University College London
Gower Street
London WC1E 6BT

Tel: 071-387 7050 Ex.4597/6
Direct Line 071-387 9594
Fax: 071-387 8057

Department of History of Art

Please reply to: 5 Gun Street, Bishopsgate, London E1 6AH

14 July 1994

Dear

I am a Ph.D. student in the Department of History of Art at University College London. My research is a comparative Anglo-American study of the relationship between the State, corporations and contemporary art during the 1980s.

I have visited a number of corporate art collections in the United States and the United Kingdom, including those of companies such as the Equitable, Philip Morris, Chemical Bank, BP, BOC and Robert Fleming. In order to present a more comprehensive picture of corporate collections, I need concrete statistical data to support my findings. Your firm has been listed in the annual report of the Association for Business Sponsorship of the Arts and seems to be a very interesting case. I would be very grateful if you could help me to complete the questionnaire. Even if not all the questions are relevant to your collection, your response will still be of interest to me.

The questionnaire looks long, but several British companies have completed it, and it will take about 30 minutes to fill out. Some of the questions require detailed information and if you find it inconvenient to find out the exact answers, I would be very grateful if you can give an approximate indication.

Any information you kindly give me will be treated as strictly *confidential* and will be used for research purposes only. No names of persons or references to the budget and policies of specific firms will be made in the thesis. If you do not wish the name to be listed as a source of information in any respect, please indicate in your reply.

I hope the result of the research will be of interest to you and I will send a summary to you in due course. When the research is published in the future, its details will be sent to you as well.

Is it possible for you to send me the company annual report and accounts, and other pertinent material on your art collection?

I would very much appreciate a reply within the next three weeks, even if it is only to inform me that you can not participate in this project.

Thank you very much for the help. I look forward to hearing from you soon.

Yours sincerely,

Chin-tao Wu
Enclosure.

Exhibit 1

Standard Industrial Classification (SIC)*

A:	Agriculture, Forestry, Fishing	01-09
B:	Mining	10-14
C:	Construction	15-17
D:	Manufacturing	20-39
E:	Transportation, Communication & Public Utilities	40-49
F:	Wholesale Trade	50-51
G:	Retail Trade	52-59
H:	Finance, Insurance & Real Estates	60-67
I:	Services	70-89
J:	Public Administration	

Classification Adopted in this Study

1. Banking/ Financial Services/ Investments/ Insurance
2. Publishing/ Media/ Computer software
3. Legal services/ Accountancy/ Real Estate Development
4. Utilities/ Energy/ Communications/ Transportation/ Freight Companies/ Hotels
5. Mining/ Retail Trade/ Wholesale Trade
   Producers of Food Products, Spirits, Tobacco Products
   Automobile and related industries/ Computers/ Office equipment
   Steel Industry/ Petroleum/ Natural Gas Industry
   Other Manufacturing Industries
6. Hospital, Medical services/ Pharmaceutical

* SIC codes are developed by the U.S. government in conjunction with the private business sector to comprehensively cover the U.S. industry by identifying its business type. The coding divides all economic activity into ten major divisions; see *Million Dollar Directory: America's Leading Public and Private Companies* (Murray Hill, NJ: Dun & Bradstreet, 1992).

APPENDIX 3

List of Persons Interviewed, Venues and Exhibitions Visited

26/7/1990 Visit to the Lobby Gallery, Deutsche Bank, New York. (30 minutes)

30/7/1990 Visit Ms Jacq Dorante, Development Officer, Studio Museum in Harlem, New York. (30 minutes)

31/7/1990 Visit to the art exhibition at Joseph E. Seagram & Sons, Inc. (producer of distilled spirits and wine), New York. (30 minutes)

31/7/1990 Visit to the art exhibition at the Lintas Worldwide headquarters (advertising agency), New York. (30 minutes)

1/8/1990 Telephone interview with Ms Kim Maier, Director of National Programs, Business Committee for the Arts, New York. (30 minutes)

2/8/1990 Visit to the art collection of Fried, Frank, Harris, Shriver & Jacobson (law firm) and taking pictures of the collection, New York. (2 hours)

2/8/1990 Visit to the sculpture at the Chase Manhattan Plaza, New York.

2/8/1990 Visit to the Whitney Museum of American Art Downtown at Federal Reserve Plaza, New York.

2/8/1990 Visit to the murals at the American Express Building, World Financial Center, New York.

2/8/1990 Visit to the public art collection of Port Authority of NY & NJ at the World Trade Center, New York.

3/8/1990 Telephone interview with Ms Margaret Mathews-Bereson, art consultant and curator for Lintas Worldwide, New York. (30 minutes)

5/8/1990 Visit to the PaineWebber Art Gallery, New York. (30 minutes)

6/8/1990 Telephone interview with Ms Laura Perroti, Marketing Coordinator, Fried, Frank, Harris, Shriver & Jacobson, New York. (20 Minutes)

7/8/1990 Visit to the Joseph E. Seagram Building. (20 minutes).

7/8/1990 Visit to the Whitney Museum of American Art at Philip Morris, New York.

8/8/1990 Visit to the Whitney Museum of American Art at Equitable Center, New

York.

8/8/1990 Telephone interview with Ms Carla Caccamise Ash, Curator, Joseph E. Seagram, Inc., New York. (40 minutes)

8/8/1990 Telephone interview with Mr Martin B. Cominsky, Director, BVA/USA, Arts and Business Council, New York. (20 minutes)

9/8/1990 Visit to the art collection of Westpac Banking Corporation, New York. (from 9:30 am. to 10:30 am.)

9/8/1990 Visit to the art collection of Gilman Paper Company and interview with Mr Pierre Appraxine, Curator, Gilman Paper Company, New York. (from 11:00 am. to 12:00 am.)

9/8/1990 Interview with Ms Susanne Gyorgy, Director of the PaineWebber art gallery, PaineWebber Group Inc., New York. (from 1:00 pm. to 2:00 pm.)

9/8/1990 Visit to the art collection of Chemical Bank and the art gallery at the Chemical Bank headquarters and interview with Ms Wendy Cromwell, Art Administrator, Chemical Bank, New York. (from 4:00 pm. to 5:00 pm.)

10/8/1990 Interview with Ms Amy Dion Gibstein, Viart Corporation (art consultant firm), art consultant for the Goldman Sachs & Company (investment bank) and the Deutsche Bank, New York. (from 10:30 am. to 11:30am.)

10/8/1990 Visit to the art collection of Equitable Life Assurance Society and interview with Ms Susan Massa, Assistant Curator, Equitable Life Assurance Society (insurance, financial service, and real estate), New York. (from 3:00 pm. to 4:00 pm.)

13/8/1990 Interview with Ms Pamela Gruninger Perkins, Head, Branch Museums, and Coordinator, Building Program, Whitney Museum of American Art, New York. (from 4:00 pm. to 5:00 pm.)

23/8/1990 Visit to the art collection of Fried, Frank, Harris, Shriver, & Jacobson and taking pictures of the collection, Washington, D.C. (from 1:30 pm. to 2:30pm.)

30/8/1990 Attending the Education Panel Meeting, National Endowment for the Arts, Washington, D.C. (from 11:15 am. to 2:30 pm.)

31/8/1990 Visit to the art collection of Arnold & Porter and interview with Josselyn Neukom, Legal Assistant, Arnold & Porter, and Talbot M. Payne, art consultant for Arnold & Porter from Carey Ellis Company (art consultant company), Washington, D.C. (from 2:00 pm. to 3:30 pm.)

5/9/1990 Visit to the art collection of Sullivan & Cromwell and interview with Mr Robert H. Craft, Jr., Managing Partner, Washington, D.C. (from 1:30 pm. to 4:00 pm.)

10/9/1990 Visit to the art collection of Miller & Chevalier, Washington, D.C. (from 3:00 pm. to 4:00 pm.)

11/9/1990 Visit to the art collection of Covington & Burling and interview with Ms Melissa Busby Fernlund, Manager of Space Planning and Programs, Covington & Burling (law firm), Washington, D.C. (from 10:00 am. to 11:30 am.)

11/9/1990 Visit to the art collection of KPMG Peat Marwick and interview with Ms Victoria E. Fisher, Communications Coordinator, KPMG Peat Marwick (accountant firm), Washington, D.C. (from 3:00 pm. to 4:00 pm.)

17/9/1990 Interview with Ms Jean Efron, art consultant for Miller & Chevalier and Sullivan & Cromwell, Washington, D.C. (from 4:00 pm. to 4:40 pm.)

19/9/1990 Visit to the art collection of the Washington Post and interview with Ms Lina Lukens, Assistant to the Manager of Corporate Affairs, the Washington Post, Washington, D.C. (from 11:00 am. to 1:30 pm.)

21/9/1990 Interview with Mr Leonard A. Zax, Partner, Fried, Frank, Harris, Schriver & Jacobson, Washington, D.C. (from 12:00 am. to 12:30 pm.)

24/9/1990 Attending the Overview Panel Meeting of the Visual Arts Program at the National Endowment for the Arts (NEA), Washington, D.C. (from 9:00 am to 7:00 pm.)

25/9/1990 Attending the Overview Panel Meeting of the Visual Arts Program, NEA, Washington, D.C. (from 9:30 am. to 5:30 pm.)

26/9/1990 Attending the slide screening of the fellowship applicants, Visual Arts Program, NEA, Washington, D.C. (from 10:00 am. to 11:30 am.)

26/9/1990 Visit to the art collection of Oliver Carr (development company), Washington, D.C. (from 11:40 am. to 12:10 pm.)

27/9/1990 Interview with Ms Ellen O'Toole, Curator and Publication Manager, Oliver Carr, Washington, D.C. (from 1:00 pm. to 2:00 pm.)

27/9/1990 Visit to the art collection of Oliver Carr at various buildings, including Metropolitan Square, The Willard and the Commercial National Bank building, Washington, D.C.

27/9/1990 Attending the opening exhibition of the photographer Steve Gottieb and the lecture by the artist at Covington & Burling, Washington, D.C. (from

5:30 pm. to 7:10 pm.)

28/9/1990 Interview with Mr Silvio D. Lim, Program Specialist, Visual Arts Program, NEA, Washington, D.C. (from 3:00 pm. to 4:30 pm.)

1/10/1990 Visit to the art collection of US News & World Report and interview with Mr Mett Tucker, US News & World Report, Washington, D.C. (from 3:00 pm. to 3:30 pm.)

2/10/1990 Interview with Mr Bert Kubli, Program Specialist, Visual Arts Program, NEA, Washington, D.C. (from 2:00 pm. to 4:00 pm.)

2/10/1990 Interview with Mr Silvio D. Lim, Program Specialist, Visual Arts Program, NEA, Washington, D.C. (from 4:30 pm. to 5:30 pm.)

3/10/1990 Interview with Mr Morgan C. Dodd, Annual Fund Director, Corcoran Gallery of Art, Washington, D.C. (from 10:00 am. to 11:00 am.)

3/10/1990 Interview with Mr Michael Faubion, Assistant Director, Visual Arts Program, NEA, Washington, D.C. (from 4:30 pm. to 7:15 pm.)

4/10/1990 Visit to the art collection of Ross, Dickson, Masback and interview with the secretary to Mr Stuart T. Ross, Senior Partner, Ross, Dickson, Masback (law firm), Washington, D.C. (from 10:30 am. to 11:30 am.)

4/10/1990 Interview with Mr Berry Bergey, Program Specialist, Folk Art Program, NEA, Washington, D.C. (from 2:00 pm. to 2:30 pm.)

4/10/1990 Interview with Mr Silvio D. Lim, Program Specialist, Visual Arts Program, NEA, Washington, D.C. (from 4:00 pm. to 4:30 pm.)

4/10/1990 Interview with Mr Gary Larson, International Program, NEA, and the author of *The Reluctant Patron*, Washington, D.C. (from 4:45 pm. to 5:15 pm.)

5/10/1990 Interview with Mr Gary Larson, International Program, NEA, Washington, D.C. (from 9:30 am. to 10:20 am.)

5/10/1990 Visit to the art collection of Kutak Rock & Campbell and interview with Ms Jan S. Dietrich, Administrative Manager, Kutak Rock & Campbell (law firm), Washington, D.C. (from 10:40 am. to 12:00 am.)

5/10/1990 Interview with Mrs Nancy Pressly, Assistant Director, Museum Program, NEA, Washington, D.C. (from 1:30 pm. to 2:00 pm.)

5/10/1990 Visit to the art collection of the World Bank and interview with Mr Sam Niedzviecki, Senior Project Manager, World Bank, Washington, D.C. (from 3:30 pm. to 5:30 pm.)

9/10/1990 Visit to the art collection of Latham & Watkins (law firm), Washington, D.C. (from 10:00 am. to 11:15 am.)

9/10/1990 Interview with Mr Gary Larson, International Program, NEA, Washington, D.C. (from 1:30 pm. to 2:30 pm.)

9/10/1990 Interview with Mr Leonard A. Zax, Partner, Fried, Frank, Harris, Schriver & Jacobson, Washington, D.C. (from 3:30 pm. to 4:30 pm.)

10/10/1990 Interview with Ms Nancy Pressly, Assistant Director, Museum Program, NEA, Washington, D.C. (from 2:00 pm. to 2:45 pm.)

10/10/1990 Visit to the art collection of Debevoise Plimpton and interview with Mr Craig Kellermann, Office Manager, Debevoise Plimpton (law firm), Washington, D.C. (from 3:30 pm. to 5:30 pm.)

11/10/1990 Interview with Ms Mary-Kay Lombino, Program Specialist, Museum Program, NEA, Washington, D.C. (from 12:20 pm. to 12:40 pm.)

11/10/1990 Watching the screening of Senate debate on the reauthorisation of the National Endowment for the Arts, NEA, Washington, D.C. (from 12:30 pm. to 4:00 pm.)

11/10/1990 Interview with Mr Michael Faubion, Assistant Director, Visual Arts Program, NEA, Washington, D.C. (from 5:00 pm. to 6:30 pm.)

12/10/1990 Interview with Ms Mary-Kay Lombino, Program Specialist, Museum Program, NEA, Washington, D.C. (from 10:00 am. to 11:00 am.)

12/10/1990 Interview with Ms Daphne Wood Murray, Director, Institute of Museum Service, Washington, D.C. (from 11:00 am. to 12:00 am.)

12/10/1990 Interview with Ms Molly White, Director of Development, Washington Project for the Arts, Washington, D. C. (from 5:00 pm. to 6:00 pm.)

17/10/1990 Interview with Mr Silvio D. Lim, Program Specialist, Visual Arts Program, NEA, Washington, D.C. (from 10:30 am. to 12:00 am.)

18/10/1990 Interview with Mr David Bancroft, Program Specialist, Museum Program, NEA, Washington, D.C. (from 3:00 pm. to 4:30 pm.)

19/10/1990 Interview with Susan Lubowsky, Director, Visual Arts Program, NEA, Washington, D. C. (from 11:20 am. to 11:40 am.)

19/10/1990 Telephone Conversation with Ms Louis Dorick, Development Officer, Smithsonian Institution, Washington, D. C. (20 minutes)

19/10/1990 Interview with Ms Marsa Semmel, Assistant Director, Humanities Projects in Museums and Historical Organizations, National Endowment for the Humanities (NEH), Washington, D. C. (from 4:00 pm. to 4:45 pm.)

22/10/1990 Interview with Mr Silvio D. Lim, Program Specialist, Visual Arts Program, NEA, Washington, D.C. (from 10:00 am. to 12:00 am)

22/10/1990 Interview with Mr David Bancroft, Program Specialist, Museum Program, NEA, Washington, D.C. (from 3:00 pm. to 3:30 pm.)

23/10/1990 Interview with Mr Andrew Oliver, Director, Museum Program, NEA, Washington, D.C. (from 3:20 pm. to 4:00 pm.)

23/10/1990 Interview with Mr Tim Meagher, Program Officer, Humanities Projects in Museums and Historical Organizations, NEH, Washington, D. C. (from 4:00 pm. to 5:10 pm.)

24/10/1990 Interview with Mr Derry Liu, Program Specialist, Folk Arts Program, NEA, Washington, D.C. (from 3:00 pm. to 5:00 pm.)

25/10/1990 Interview with Mr Paul Carlson, Program Administrator, Visual Arts Program, NEA, Washington, D.C. (from 11:00 am. to 12:20 am.)

25/10/1990 Telephone interview with Ms Joan Asbill on the art collection of Miller & Chevalier, Washington, D.C. (from 3:50 pm. to 4:10 pm.)

2/11/1990 Attending the National Council on the Arts 106th Meeting, NEA, Washington, D.C. from 9:00 am. to 5:00 pm.

3/11/1990 Attending the National Council on the Arts 106th Meeting, NEA, Washington, D.C. from 9:00 am. to 5:30 pm.

6/11/1990 Telephone conversation with Mr Larry Rickard, Administrator, Museum Program, NEA, Washington, D.C. (15 minutes)

6/11/1990 Interview with Ms Yvonne M. Sabine, Director, Council and Panel Operations, NEA, Washington, D.C. (20 minutes)

8/11/1990 Interview with Ms Marilyn E. Hill, Curator, Westpac Banking Corporation, New York. (from 11:15 am. to 12:10 pm.)

8/11/1990 Visit to the art collection of Kutak Rock & Campbell, New York. (from 1:00 pm. to 1:30 pm.)

8/11/1990 Visit to the art collection of LLADRO, USA, Inc. and the LLADRO art gallery and interview with Ms Gloria Ortiz, Gallery Manager, LLADRO, USA, Inc., New York. (from 4:00 pm. to 5:15 pm.)

9/11/1990 Visit to the art collection of Sullivan & Cromwell branch at Park Avenue, New York. (from 11:00 am. to 12:00 pm.)

9/11/1990 Visit to the art collection of Sullivan & Cromwell branch at Broad Street and interview with Mr Jeffrey H. Brown, Director of Office Operations, Sullivan & Cromwell, New York. (from 1:00 pm. to 2:00 pm.)

9/11/1990 Interview with Mr Edward Jones, Program Associate, Metropolitan Life Foundation (from 3:00 pm. to 4:00 pm.) and visit to the Metropolitan Life Gallery, New York. (from 4:00 pm. to 5:00 pm)

13/11/1990 Visit to the art collection of UBS Securities Inc. and interview with Mr Michael Joyce, Office Manager, UBS Securities Inc., New York. (from 9:30 am. to 10:00 am.)

13/11/1990 Interview with Ms Betsy Mercer and Ms Sheila Manley, Associate Development Officers, Development and Membership, Whitney Museum of American Art, New York. (from 10:30 am. to 12:00 am.)

13/11/1990 Visit to the art collection of Baer, Marks & Upham and interview with Mr William F. Gaske, Associate Attorney, Baer, Marks & Upham (law firm), New York. (from 2:00 pm. to 3:30 pm.)

13/11/1990 Interview with Mr Robert Martin and Mr Norman T. MacDonald, Manager of Purchasing, Sullivan & Cromwell, New York. (from 4:20 pm. to 5:00 pm.)

13/11/1990 Visit to the IBM Gallery of Science and Art, New York.

14/11/1990 Interview with Ms Margaret della Cioppa, Manager, and Ms Stacey Gershon, Assistant Curator, Art Department, Chase Manhattan Bank, New York. (from 10:20 am. to 11:00 am.)

14/11/1990 Telephone interview with Mr Saul S. Wenegrat, Administrator, Art in Architecture Program, Port Authority of NY & NJ, New York. (from 11:00 am. to 11:30 am.)

14/11/1990 Visit to the art collection of Chase Manhattan Bank branch on Houston Street, Soho, New York.

14/11/1990 Visit to the art collection of Philip Morris and interview with Ms Joellen Garrant, Registrar, Art Department, Philip Morris, New York. (from 4:10 pm. to 5:10 pm.)

5/2/1992 Interview with Robert Mcpherson, Exhibition Organiser, National Art Collections Fund, London. (from 11:00 to 11:30 am.)

9/3/1992 Visit to Art Collection, Financial Times, London. (from 2:00 to 3:00 pm.)

3/4/1992	Visit to Ms Carol Brennan, Publicity Executive, 3i, London, interview with her. (from 3:00 to 4:00 pm.)
3/4/1992	Visit to Mr Nigel Frank, staff member of Art Guidelines and assistant to curator Glenn Sujo, Arthur Andersen & Co., London, interview with him, tour of art collection. (from 5:30 to 7:00 pm.)
6/4/1992	Visit to Alistair Clements, House Manager, Granada Television, London, tour of art collection. (from 5:00 to 6:10 pm.)
7/4/1992	Visit to Peter Wingrave, Desgin Manager, IBM, London, interview with him, tour of art collection at IBM South Bank Centre. (from 2:00 to 3:30 pm.)
8/4/1992	Visit to Michael Mackenzie, Sponsorship Manager, W.H. Smith, London, interview with him, tour of art collection. (from 3:00 to 4:00 pm.)
10/4/1992	Visit to Sally Bellingham, Secretary to the Chief Executive Stuart Lipton, Stanhope Properties plc., London, tour of art collection. (from 11:00 am to 12:10am.)
13/4/1992	Visit to Gill Murkin, Sponsorship Manager, TSB, London, interview with her, tour of art colleciton. (from 9:30 am. to 11:30 am.)
	Visit to David Cohen, Director, Robert Fleming, London. (from 11:30 am to 1:20 pm.)
4/4/1992	Visit to Mardie Esterkin, Manager of Corporate Affairs, P & 0, London, interview with her, tour of art collection. (from 3:10 pm to 5:45 pm.)
15/4/1992	Visit to Andrew Charalambous, Designer, Chase Manhattan Bank, London, tour of art collection. (from 10:00 to 11:45 am.)
16/4/1992	Visit to William Backhouse, Chief Operating Officer, Baring Asset Management Ltd, London, interview with him, tour of art collection. (from 5:45 pm to 7:20 pm.)
22/4/1992	Visit to Yvonne Connolly, Administration Officer, BOC, Windlesham, Surrey, interview with her, tour of art collection. (from 2:30 pm to 5:00 pm.)
23/4/1992	Visit to Patrick Acheson-Gray, Head Office General Manager, Unilever, London, interview with him, tour of art collection. (from 10:00 am to 12:00 pm.)
6/5/1992	Visit to Greg Campbell, Facilities Manager, Fidelity International, London, tour of art collection. (from 9:00 am to 10:25 am.)

Visit to Peter Jeffcote, Partner, Freshfields, London, interview with him, tour of art collection. (from 11:30 am to 12:50pm.)

Visit to Philip Collins, Partner, Coopers & Lybrand Deloitte, London, interview with him, tour of art collection. (from 5:30 pm. to 6:45 pm.)

8/5/1992	Visit to Malcolm Kemp, Office Services Manager, Hill Samuel Bank, London, interview with him, tour of art collection. (from 8:00 am to 9:50 am.)
11/5/1992	Visit to Margaret Parkes, Design Manager, Chase Manhattan Bank, London, interview with her. (from 11:30 am to 1:00 pm.)
29/5/1992	Visit to Jayne Goodwins, Press Officer, Royal Bank of Scotland, London. (from 11:00 am. to 11:50 am.)
1/6/1992	Visit to Nigel Reid, Linklaters and Paines (Gresham Street Office), interview with him, tour of art collection. (from 10:00 am. to 11:00am.)
5/6/1992	Visit to Terry J. Moore, Properties & Services, Sedgwick Group plc., London, interview with him, tour of art collection. (from 3:30 pm. to 5:00 pm.)
6/6/1992	Visit to Dr Moire Rudolph at St Thomas Hospital, London, interview with her, tour of art collection. (from 1:45 pm to 4:30 pm.)
11/6/1992	Visit to the exhibition in the reception area at Hillier Parker, London.
15/6/1992	Visit to Michael Bell at the Société Générale Strauss Turnbull, London, tour of art collection, from 5:35 pm to 6:10 pm.
17/6/1992	Visit to Ms Wendy Simpson, Office Services Supervisor, Theodore Goddard, interview with her, tour of art collection, London, from 5:30 pm to 6:30 pm.
9/6/1992	Visit to James Dreaper, Head of Information, Banque Paribas, London, interview with him, tour of art collection, from 10:00 am to 10:40 am.
24/6/1992	Visit to Ted Shepard, Consultant for Archive, Shell UK limited, London, interview with him, from 2:10 pm. to 3:30 pm.
30/6/1992	Visit to Michael Rose, Community Affairs, Bankers Trust, London, interview with him (on arts sponsorship and art collection), tour of art collection, from 10:30 am to 12:00 pm.
	Visit to Margaret Parkes, Chase Manhattan Bank, London, tour of art works at the meeting rooms, Hospitality Floor, from 2:00 to 3: 30 pm.

2/7/1992	Visit to Lynette Royle, Manager Group Public Relations, Guinness plc., London, interview with her, from 9:00 am to 9:40 am.
6/7/1992	Visit to Anthony Bracking, Consultant in Public Affairs, SC Johnson Wax, Limited, Frimley Green, Surrey, interview with him (on arts sponsorship and art collection), tour of art collection, from 11:00 am to 12: 25 pm.
7/7/1992	Interview with Ros Frost, Manager (Sponsorship), Barclays Bank plc., London, from 3:30 pm. to 4:15 pm.
8/7/1992	Visit to Valerie Castro, Human Resources and Facilities Manager, Corporate Office Services, BP, London, interview with her, tour of art collection, from 9:30 am. to 11:45 am.
	Interview with Lally Carlton-Jones, Head of Art Sponsorship, Department of Community Affairs, BP, London, from 11:45am to 12:30pm.
10/7/1992	Visit to Ms Pat Higgins, John Laing plc., London, interview with her, tour of art collection, from 11:15 am to 12:00 pm.
30/7/1992	Visit to Terry Moore at Sedgwick Group plc., London, from 2:30 pm. to 3:30 pm.
3/8/1992	Visit to Ms Louise Haugh, McGrigor Donald, London, tour of art collection, from 3:00 pm. to 3:15 pm.
7/8/1992	Visit to Ann Slavik, Coordinator, Deutsche Bank, London, from 3:00 pm. to 5:00 pm, interview with her, tour of art collection.
12/8/1992	Visit to Michael Bell, Facilities Manager, Société Générale Strauss Turnbull, London, to photograph the collection, from 5:45 pm. to 7:10 pm.
13/8/1992	Interview with Dr Tulip, Company Secretary, Unilever, London, from 10:00 am. to 11:15 am.
18/9/1992	Visit to Howard Meadows at J. Rothschild Administration Limited, Spencer House, London, interview with him, tour of the building and collection, from 11:00 am to 12:10 pm.
24/9/1992	Visit to Ray Smith, Accountant, Premises and Facilities Division, at the Citibank, Strand, and Cotton House, near London Bridge, London, interview with him, tour of art collection, from 9:00 am to 2:35 pm.
26/9/1992	Visit to Peter Jeffcote, Partner, Freshfields, London, to photograph the mural in the staff restaurant and commisioned works in the entrance lobby.
2/10/1992	Tour of art collection, ICI, London.

9/10/1992	Visit to Dr. John Orbell, Archivist, Baring Brothers, London, tour of art collection (from 4:30 pm to 5:30 pm), interview with him (from 5:30 pm to 6:00 pm.)
15/10/1992	Visit to Alan Cameron, Archivist, Executive Office, Bank of Scotland, tour of art collection in London Chief Office, interview with him, from 10:30 am to 11:45 am.
21/10/1992	Tour of art collection at the executive floor, BP, London.
28/10/1992	Visit to Jean Wood, Secretary to the Chairman, Prudential Corporation, London, tour of art collection (from 10:00 am to 11:00 am), interview with her (from 11:00 am to 11:50 am).
4/11/1992	Visit to Mary Hart, tour of art collection, Kleinwort Benson, London.
20/11/1992	Interview with Mr Nick Hagan, Tax Inspector, Citygate House, Moorgate, Inland Revenue, London. (from 10:00 am to 11:45 am)
17/8/1993	Visit to Harveys Wine Museum (John Harvey & Sons: Wine Merchants, Bristol); interview with Margaret B. Pigott, Curator, Harveys Wine Museum, from 10:30 am to 11:30 am, and visited the Museum Cellars with a group visit from 11:30 to 12:00 pm.
	Visit to Sun Life Assurance Society plc., Bristol.
8/8/1994	Visit to John Watkins, Facilities Department, UBS, London, from 10:00 am to 11:00 am.
14/2/1995	Interview with Toby Scott, Business Assessment and Planning, Arts Council of England, from 5:00 pm to 6:20 pm. (on Midland Bank Artscard)
28/2/1995	Interview with Campbell Grey, consultant. (on Natwest Painting Prize)
8/3/1995	Interview with Emma Davidson, Development Officerr, Whitechapel Art Gallery. (on development)
22/2/1995	Interview with Ms Isobel Johnstone, Curator, Arts Council (of Great Britain) Collection, South Bank Centre, from 11:00 am (about one hour)
24/4/1995	Visit to Kathy Keenan, Accountant, Fried, Frank, Harris, Shriver & Jacobson, Washington D.C., interview with her, tour of art collection, from 10:00 am to 12:30 pm.
	Interview with Linda Ayres, Assistant Director, Museum Program, National Endowment for the Arts Washington, D.C. from 2:00 pm to 2:45 pm.

Telephone conversation with Andy Finch, Association of American Museum, Washington D.C., from 3:30 pm to 4:00 pm.

Telephone conversation with Daniel Grant (on tax law related to corporate art collection), freelance journalist from Boston (ten minutes).

Telephone conversation with Annie Storr, Association of American Museum, Washington D.C., from 4:15 pm to 4:50 pm.

25/4/1995 Interview with Malcolm L. Richardson, Deputy Director, President's Committee on the Arts and Humanities, Washington D.C. from 3:30 pm to 4:40 pm.

Interview with Scott Sanders, Deputy Chairman, National Endowment for the Arts, Washington D.C. from 4:45 pm to 5:15 pm.

Telephone conversation with Alan Fern, Director, National Portrait Gallery, Smithsonian Institution, Washington D.C. (on legal aspects)

26/4/1995 Visit to Laurie Kirby, Office Manager, Sullivan and Cromwell, Washington D.C., tour of art collection, from 10:00 am to 11:15 am.

Interview with Michael Faubion, Deputy Director, Visual Arts Program, National Endowment for the Arts, Washington D.C. from 5:00 pm to 6:45 pm.

27/4/1995 Interview with Robert H. Craft, Partner, Sullivan and Cromwell, Washington D.C., from 11:30 am to 12:00 am.

Visit to Fred Weir, Director of Administration, Arthur Andersen, Washington D.C., tour of art collection, from 2:00 pm to 3:00 pm.

Telephone conversation with Tom Yarker, International Sculpture Center, Washington D.C., from 5:00 pm. to 5:20 pm. (on exhibitions held at companies)

Telephone conversation with Stephen Weil, Assistant Director, Hirshhorn Museum and Sculpture Garden, Smithsonian Institution, Washington D.C. (on legal aspects)

28/4/1995 Interview with Ms Patty Fagan Kehoe, Accounting Manager, Covington & Burling, Washington D.C.

1/5/1995 Tour of art collection at Fried, Frank, Harris, Shriver & Jacobson, New York, from 12:00 to 2:00 pm.

2/5/1995 Interview with Daniel W. Vecchitto, Director of Development, the Museum of Modern Art, New York, from 2:00 pm. to 3:00 pm.

3/5/1995	Interview with Tony Levy, Deputy Director, Zoning Study Group, Department of City Planning, New York City, from 10:15 am to 11:00 am.
	Interview with Jennifer Hellriegel, from 12:00 pm to 12:45 pm, and Curt Hagedorn, Alliance for Young Artists and Writers, New York, from 12:45 pm. to 1:15 pm. (on Scholastic Arts Awards)
	Interview with Carla Caccamise Ash, Curator, Joseph E. Seagram & Son., from 3:00 pm to 4:00 pm, and visited the art exhibition held at the headquarters on Park Avenue, New York.
4/5/1995	Interview with Lynne M. Winter, Senior Development Officer for Special Exhibition Funding, Metropolitan Museum of Art, from 10:30 am to 11:30 am.
	Interview with Ms Pamela Gruninger Perkins, Director of the Publications and former Head of Branches, from 2:00 pm to 2:20 pm, and interview with Lisa M Krainski, Development Assistant, from 2:30 pm to 3:00 pm, Whitney Museum of American Art, New York.
	Interview with Josephine Gear, former director of the Whitney Museum of American Art at the Philip Morris, New York, from 4:30 pm. to 5:30 pm.
5/5/1995	Iterview with Laura Deer Moore, Program Specialist, Arts International, Institute of International Education, New York, from 9:30 am to 10:15 am. (on Reader's Digest art fellowships)
	Interview with Margaret Mathews-Berenson, art consultant, New York, from 11:30 am to 1:00 pm.
8/5/1995	Visit to Norman T. MacDonald, Manager of Purchasing, Sullivan & Cromwell, New York, tour of art collection, interview with him, from 9:00 am to 9:50 am.
	Interview with Manuel Gonzalez, Executive Director, Art Collection, Chase Manhattan Bank, New York, from 10:30 am to 11:25 am.
	Interview with Meiko Takayama, Development Department, Guggenheim Museum, New York, from 3:00 pm to 3:30 pm.
	Interview with Ms Chris Myers, Viart Corporation, New York, from 5:00 pm to 5:30 pm.
9/5/1995	Interview with Pari Stave, Curator, Equitable Life Assurance Society, New York, from 10:00 am to 11:00 am.

Interview with Jennifer P. Goodale, Specialist, Cultural Programs, Philip Morris Management Corp., New York, from 12:00 pm to 12:40 pm.

Interview with Vera Lutter, artist, commissioned by Hybo Bank, New York, to do the "Sight and Sense" installation at its headquarters in the Wall Street area, from 4:00 pm to 4:40 pm.

15/9/1995 Interview with Ms Isobel Johnstone, Curator, Arts Council (of Great Britain) Collection (about 45 min).

29/9/1995 Interview with Julia Peyton Jones, Director, and Rebecca King Lassman, Development, Serpentine Gallery.

6/10/1995 Interview with Roger Malbert, Head of National Touring Exhibitions, South Bank Centre, from 2:30 pm. to 3:15 pm.

20/06/1996 Interview with Dick Humphreys, Head of Education, Tate Gallery, from 1:40 pm to 2:20 pm.

Interview with Catherine Lampert, Director of the Whitechapel Art Gallery, from 4:00 pm to 4:10 pm.

9/7/1996 Interview with Sandy Nairne, Director of Public and Regional Services, Tate Gallery, from 3:00 pm to 4:00 pm.

Table 1. 1

Top Federal Personal Income Tax Rate in the U. S.

Years	Top Rate (%)
1913-15	7
1916	15
1917	67
1918	77
1919-21	73
1922-23	58
1925-31	25
1932-35	63
1936-39	79
1941	81
1942-43	88
1944-45	94
1946-51	91
1952-53	92
1954-63	91
1964	77
1965-80	70
1981-86	50
1987	38
1988	33

Source: The Tax Foundation, *Facts and Figures on Government Finances* for footnotes describing some surcharges and other special rules.

Table 2.1

Marginal Tax Rates and the Price of Giving to Arts and Culture in the United States

AGI Group (1)	Marginal Tax Rate (2)	Percent Itemizers (3)	Percent Property (4)	Gifts to Culture (5)	Price of Giving (6)
0-10K	2.0	5.1	8.4	.0	.98
10-20K	15.9	20.5	8.7	.0	.83
20-30K	17.9	43.1	8.5	.0	.81
30-50K	21.5	67.2	9.2	.0	.78
50-75K	27.8	85.3	12.9	16.6	.70
75-100K	29.1	85.3	14.8	10.9	.69
100-200K	32.2	92.6	17.2	17.5	.65
200K +	28.9	93.8	30.9	55.0	.67
Total				100.0	.67

Notes and Sources (by column):
(1) AGI= adjusted gross income, in K= thousands of dollars; (2) and (3) weighted average in each group, for the Tax Reform Act of 1986, from U.S. Treasury Dept.; (4) Statistics of Income (SOI 1988), Internal Revenue Service, for tax year 1985 (before appreciated property placed under the alternative minimum tax; calculated from Clotfelter (1985b, 213*) and SOI for 1985; and (6) calculated from appendix equation (3) using column 2 for and g, column 4 for (1 - C), a = .5 for the ratio of appreciation to value, and assuming that the alternative is immediate consumption. These prices apply to itemizers, but there are very few nonitemizers in the top few brackets with gifts to culture.
* Charles Clotfelter, *Federal Tax Policy and Charitable Giving* (Chicago: University of Chicago Press, 1985)

Source: Don Fullerton, "Tax Policy Toward Art Museums," in Martin Feldstein, ed*The Economics of Art Museums* (Chicago and London: University of Chicago Press, 1991), p. 198.

Table 2.2
Distribution of Age of Museums by Type

Tpye	1980's	2nd half 1970's	1st half 1970's	2nd half 1960's	1st half 1960's	1950's	1940's	Pre 1940	Total
	<------ Decade Established						------>		
Aquarium	0.0%	57.3%	0.0%	0.0%	0.0%	11.5%	0.0%	31.2%	100.0%
Arbor/Bot Garden	1.9%	9.1%	17.2%	24.8%	0.0%	11.9%	9.1%	26.1%	100.0%
Art	13.0%	18.8%	18.5%	13.2%	5.1%	5.5%	7.2%	18.6%	100.0%
Children's	35.6%	32.6%	8.8%	0.0%	3.4%	5.7%	2.3%	11.5%	100.0%
General	9.4%	9.3%	9.1%	15.2%	8.9%	13.5%	9.0%	25.5%	100.0%
Historic Site	10.5%	10.8%	10.8%	16.3%	11.4%	14.0%	5.3%	21.0%	100.0%
History Museum	9.2%	14.8%	16.9%	15.5%	12.2%	11.2%	4.4%	15.8%	100.0%
Natural History	9.4%	6.3%	14.6%	16.2%	8.1%	9.4%	4.5%	31.6%	100.0%
Nature Center	11.3%	17.2%	28.5%	12.6%	8.7%	12.0%	2.1%	7.5%	100.0%
Planeta-rium	18.1%	13.7%	6.0%	21.3%	23.9%	3.0%	0.0%	13.8%	100.0%
Science	10.4%	24.4%	22.8%	5.9%	11.1%	4.5%	6.0%	14.9%	100.0%
Special-ized	25.0%	27.8%	12.2%	7.7%	13.3%	2.1%	0.5%	11.5%	100.0%
Zoo	1.4%	0.0%	3.6%	11.9%	14.3%	9.6%	5.0%	54.3%	100.0%
All Museums	10.9%	14.5%	14.8%	14.8%	9.9%	10.5%	5.3%	19.3%	100.0%

Number/percent missing: 0/0.0 %
38 museums did not give a date for year established; year opened was used for these.
Sources: *Data Report: From the 1989 National Museum Survey* (Washington D.C.: American Association of Museums, 1992), p. 64.

Table 2.3

1989 Sources of Operating Income
Metropolitan Museum of Art, New York

	Amount ($)	% of total income
Admissions	9,552,263	12.7
Membership	10,530,054	14.0
City of New York (Utilities)	5,490,671	7.3
City of New York (Guardianship, Maintenance)	9,928,337	13.2
Endowment, including the Cloisters	10,830,913	14.4
Net Income from Auxiliary Activities	6,242,984	8.3
Gifts and Grants	3,911,163	8.9
Support for Special Exhibitions	12,034,348	5.2
Other	6,694,106	16.0
Total	$75,214,676	100.0

Source: Compiled from *Metropolitan Museum of Art Annual Report for the Year 1988-89.*

Table 2. 4

Art Objects Insured Through Federal Indemnificaiton Program, 1976-87

Fiscal Year	Number of Objects Insured	Face Value of Indemnities Outstanding (Millions of 1987 Dollars)	Amount They Would Have Paid in Insurance (Millions of 1987 Dollars
1976	3,935	189.3	1.35
1977	6,708	230.2	2.65
1978	9,029	299.4	1.89
1979	7,442	242.0	5.11
1980	4,307	315.7	1.22
1981	4,605	240.4	1.26
1982	6,290	343.4	2.89
1983	4,094	362.4	1.75
1984	3,191	389.8	3.20
1985	4,494	405.7	2.03
1986	7,074	420.1	5.66
1987	8,484	585.3	5.64

Source: Annual reports on the Arts and Artifacts Indemnity Act, National Foundation on the Arts and Humanities, Washington, D.C.

Quoted in Charles T. Clotfelter, "Government Policy Toward Art Museums in the United States," in Martin Feldstein, ed.,*The Economics of Art Museums* (Chicago and London: University of Chicago Press, 1991), p. 255.

Table 3. 1 Corporate Income and Contributions, 1940-1982

Year	Net Income before Taxes ($ billions)	Contributions ($ billions)	Contributions as Percentage of Pre-tax Income (%)
1940	10.0	0.038	0.38
1950	42.9	0.252	0.59
1960	49.8	0.482	0.97
1970	75.4	0.797	1.05
1975	132.1	1.202	0.90
1980	234.6	2.359	1.01
1981	227.0	2.600[a]	1.14
1982	174.2	2.950[a]	1.69

[a] Estimated by the Council for Financial Aid to Education.

Source: Kathryn Troy, *Annual Survey of Corporate Contributions*, 1984 edition. New York: Conference Board; quoted in Michael Useem, "Corporate Philanthropy," in Walter W. Powell, ed., *Non-Profit Sector* (New Haven and London: Yale University Press, 1987), p. 341.

Table 3. 2 Corporate Gift and Pre-Tax Income in the United States ($ in billions)

	Corporate Gifts	Pre-Tax Net Income	Giving as a % of Income
1971	0.865	86.6	1.00
1972	1.009	100.6	1.00
1973	1.174	125.6	0.93
1974	1.200	136.7	0.88
1975	1.202	132.1	0.91
1976	1.487	166.3	0.89
1977	1.791	200.4	0.89
1978	2.084	233.5	0.89
1979	2.288	257.2	0.89
1980	2.355	237.1	0.99
1981	2.514	226.5	1.11
1982	2.906	169.6	1.71
1983	3.627	207.6	1.75
1984	4.057	240.0	1.69
1985	4.472	224.3	1.99
1986	5.179[a]	221.6	2.33
1987	4.980	275.3	1.81
1988	5.400	316.7	1.71
1989	5.600	307.7	1.82
1990	5.900	304.7	1.94

[a] 1986 figure likely includes some gifts made in 1987, but reported on 1986 corporate returns for tax purposes. Reasonable estimate in 1986 is $4.870, for 1.77 % of income. Source: IRS for giving data through 1987. IRS figures reflect donations by corporations to nonprofits and to corporate foundations. They do not reflect giving by the foundations themselves, although all funds received by the latter are eventually distributed. Other sources: U.S. Department of Commerce, the Conference Board, Council for Aid to Education.

Source: Nathan Weber, *The Annual Report on Philanthropy for the Year 1990*, 1991 edition, 36th Annual Issue, New York, American Association for Fund-Raising Council, p. 88.

Table 4. 1 Gender of Tate Trustees by Decades of Appointment

Gender	1960s Number of Trustees	1960s Percent of Total	1970s Number of Trustees	1970s Percent of Total	1980s Number of Trustees	1980s Percent of Total	1990s Number of Trustees	1990s Percent of Total
Female	—	—	—	—	3	27.3	2	28.6
Male	13	100.0	10	100.0	8	72.7	5	71.4
Total	13	100.0	10	100.0	11	100.0	7	100.0

* No missing cases.

Table 4. 2. 1 Schooling of Tate Trustees by Decades of Appointment (Detail)

Schooling	1960s Number of Trustees	1960s Percent of Total	1970s Number of Trustees	1970s Percent of Total	1980s Number of Trustees	1980s Percent of Total	1990s Number of Trustees	1990s Percent of Total
Foreign Educated	—	—	1	10.0	3	27.3	—	—
Public Schools	5	45.5	3	30.0	4	36.4	3	42.9
Eton	1	9.09	4	40.0	—	—	3	42.9
Other Clarendon Schools[a]	4	36.36	—	—	1	9.1	1	14.3
Grammar Schools	—	—	2	20.0	3	27.3	—	—
State Schools	1	9.09	—	—	—	—	—	—
Total	11[1]	100.0	10[2]	100.0	11[3]	100.0	7[4]	100.0

[1] Missing case: 2 [2] Missing case: 0 [3] Missing case: 0 [4] Missing case: 0

[a] Clarendon schools include Eton, Harrow, Charterhouse, Merchant Taylors', Rugby, St. Paul's, Shrewsbury, Westminster and Winchester; see Chapter 4, note 75.

Table 4. 2. 2 Schooling of Tate Trustees by Decades of Appointment (Combined)

Schooling	1960s Number of Trustees	1960s Percent of Total	1970s Number of Trustees	1970s Percent of Total	1980s Number of Trustees	1980s Percent of Total	1990s Number of Trustees	1990s Percent of Total
Foreign Educated	—	—	1	10.0	3	27.3	—	—
Public Schools	10	90.9	7	70.0	5	45.5	7	100.0
State Educated	1	9.1	2	20.0	3	27.3	—	—

Table 4. 3. 1 University Education of Tate Trustees by Decade of Appointment (Detail)

	1960s		1970s		1980s		1990s	
University Education	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total
Foreign Universities	—	—	1	10.0	2	18.2	—	—
Oxford University	5	41.7	6	60.0	3	27.3	2	28.6
Cambridge University	3	25.0	1	10.0	1	9.1	3	42.9
Other Universities	2	16.7	—	—	1	9.1	—	—
No Known University Education	1	8.3	1	10.0	3	27.3	1	14.3
Arts Professional Training	1	8.3	1	10.0	1	9.1	—	—
Professional Training[a]	—	—	—	—	—	—	1	14.3
Total	12[1]	100.0	10[2]	100.0	11[3]	100.0	7[4]	100.0

[1] Missing case: 1   [2] Missing case: 0   [3] Missing case: 0   [4] Missing case: 0

[a] Professional training includes law, surveyors, etc.

Table 4. 3. 2 University Education of Tate Trustees by Decade of Appointment (Combined)

University Education	1960s Number of Trustees	1960s Percent of Total	1970s Number of Trustees	1970s Percent of Total	1980s Number of Trustees	1980s Percent of Total	1990s Number of Trustees	1990s Percent of Total
Foreign Universities	—	—	1	10.0	2	18.2	—	—
Oxbridge (Oxford and Cambridge Universities)	8	66.7	7	70.0	4	36.4	5	71.4
Other Universities	2	16.7	—	-	1	9.1	--	
No Known University Education	1	8.3	1	10.0	3	27.3	1	14.3
Arts Professional Training	1	8.3	1	10.0	1	9.1	—	--
Professional Training*	—	—	—	—	—	—	1	14.3
Total	12[1]	100.0	10[2]	100.0	11[3]	100.0	7[4]	100.0

[1] Missing case: 1 [2] Missing case: 0 [3] Missing case: 0 [4] Missing case: 0

* Professional training includes law, surveyors, etc.

Table 4. 4. 1 Occupation of Tate Trustees by Decades of Appointment (Detail)

	1960s		1970s		1980s		1990s	
Occupations	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total
Academic (Social Sciences)	1	7.7	1	10.0	—	—	—	—
Academic (Arts and Humanities)	1	7.7	2	20.0	—	—	1	14.3
Arts (Writers, Critics, etc.)	3	23.1	—	—	1	9.1	1	14.3
Architect	1	7.7	—	—	1	9.1	—	—
Business (Public Relations)	—	—	—	—	1	9.1	—	—
Business (Solicitor)	1	7.7	—	—	—	—	—	—
Business (Developer)	—	—	1	10.0	—	—	—	—
Business (Finance)	2	15.4	—	—	3	27.3	1	14.3
Business (Manufacturing)	2	15.4	2	20.0	2	18.2	1	14.3
Business (Entertainment)	—	—	1	10.0	1	9.1	1	14.3
Business (Other Types)	—	—	—	—	1	9.1	—	—
Civil Service	2	15.4	3	30.0	—	—	—	—
No Full-time Occupation	—	—	—	—	1	9.1	1	14.3
Land Gentry	—	—	—	—	—	—	1	14.3
Total	13[1]	100.0	10[2]	100.0	11[3]	100.0	7[4]	100.0

[1] Missing case: 0 [2] Missing case: 0 [3] Missing case: 0 [4] Missing case: 0

Table 4. 4. 2 Occupation of Tate Trustees by Decades of Appointment (Combined)

	1960s		1970s		1980s		1990s	
Occupations	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total	Number of Trustees	Percent of Total
Arts and Academia*	5	38.5	3	30.0	1	9.1	2	28.6
Business Sector	6	46.2	4	40.0	9	81.8	3	42.9
Civil Service	2	15.4	3	30.0	—	—	—	—
No Full-time Occupation	—	—	—	—	1	9.1	1	14.3
Land Gentry	—	—	—	—	—	—	1	14.3
Total	13[1]	100.0	10[2]	100.0	11[3]	100.0	7[4]	100.0

[1] Missing case: 0 [2] Missing case: 0 [3] Missing case: 0 [4] Missing case: 0

* "Arts and Academia" includes those in the categories of Academic and Arts in Table 4.4.1. "Architects" are included in the category of "Business Sector." The way in which architects conduct their business has more in common with the business sector than with the arts world.

Table 4. 5. 1 Position of Initiator of Arts Sponsorship Programmes (U. S.)

	Number of Firms	Percentage of Firms
CEO or chairman	24	72.7
Senior Managers	3	9.1
Middle Managers	3	12.1
Public Affairs/Sponsorship Managers	2	6.1

Valid cases : 33   Missing cases: 21

Table 4. 5. 2 Position of Initiator of Arts Sponsorship Programmes (U. K.)

	Number of Firms	Percentage of Firms
Chairman/Chief Executive/ Managing Director	60	43.5
Board of the company	9	6.5
Senior manager(s)	12	8.7
Middle manager(s)	4	2.9
Partners[1]	4	2.9
Public affairs[2]	43	31.2
Sponsorship manager[3]	3	2.2
Collective decision	3	2.2

Valid cases: 138   Missing cases: 31

[1] Partners as in partnerships which have different organisational structures and do not fit in the classification of company.

[2] Public affairs include those departments which serve similar functions such as corporate communications, corporate affairs, community relations, and public relations, etc.

[3] Sponsorship managers are generally located within the broader department of public relations. To separate them from the rest of the public relations department is to show the intensity of the involvement of the company.

Table 4. 6. 1 Reasons for Starting Arts Sponsorship Programmes (U. S.)

	To Keep Up with Business Trends		Better Corporate Image		CEO/Chairman's Initiatives		Encouraged by Tax Concessions	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	6	13.6	2	4.3	2	4.4	5	11.6
Fairly Unimportant	9	20.5	2	4.3	—	—	4	9.3
Neither Important Nor Unimportant	18	40.9	6	13.0	7	15.6	17	39.5
Fairly Important	11	25.0	29	63.0	16	35.6	15	34.9
Very Important	—	—	7	15.2	20	44.4	2	4.7

	Employee Benefits		As a PR Practice		Social Networking	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	4	10.0	2	4.3	2	5.0
Fairly Unimportant	3	7.5	2	4.3	7	17.5
Neither Important Nor Unimportant	12	30.0	6	13.0	20	50.0
Fairly Important	16	40.0	29	67.4	11	27.5
Very Important	5	12.5	7	10.9	—	—

* Missing responses account for discrepancies in some totals.

Table 4. 6. 2 Reasons for Starting Arts Sponsorship Programmes (U. K.)

	To Keep Up with Business Trends		Better Corporate Image		CEO/Chairman's Initiatives		Encouraged by Tax Concessions	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	30	25.4	2	1.3	14	10.9	46	40.7
Fairly Unimportant	21	17.8	3	2.0	13	10.2	27	23.9
Neither Important Nor Unimportant	39	33.1	6	4.0	26	20.3	29	25.7
Fairly Important	23	19.5	71	47.7	45	35.2	10	8.8
Very Important	5	4.2	67	45.0	30	23.4	1	0.9

	Employee Benefits		As a PR Practice		Social Networking	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	20	16.0	1	0.7	13	10.5
Fairly Unimportant	26	20.8	4	2.7	12	9.7
Neither Important Nor Unimportant	35	28.0	9	6.1	25	20.2
Fairly Important	37	29.5	67	45.3	42	33.9
Very Important	7	5.6	67	45.3	32	25.8

Table 4. 7. 1 Decision Makers in Arts Sponsorship Programmes(Combined)(U. S.)

	Number of Firms	Percentage of Responses	Percentage of Firms
CEO/Chairman/Senior Managers	28	31.1	52.8
Sponsorship Committee	20	22.2	37.7
Marketing /Public Relation/ Corporate Affairs Department	15	16.7	28.3
Company Foundation	23	25.6	43.4
Others	4	4.4	7.5
	90	100.0	169.8

Valid cases : 53 Missing cases: 1

* Some totals include multiple responses.

Table 4. 7. 1A Decision Makers in Arts Sponsorship Programmes (Detail) (U. S.)

	Number of Firms	Percentage of Firms
CEO/Chairman/Senior Managers[1]	5	9.4
Sponsorship Committee[2]	8	15.1
Marketing/Public Relations/ Corporate Affairs Department[3]	2	3.8
Company Foundation[6]	9	17.0
Joint decisions (including Chairman/ Chief Executive/Senior Managers)[4]	26	49.1
Joint decisions (excluding Chairman/ Chief Executive/Senior Managers)[5]	3	5.7

Valid cases: 53 Missing cases: 1

[1] Decisions made solely by CEO/Chairman/ senior managers.
[2] Decisions made solely by sponsorship committee. The category of sponsorship committee often includes CEO and chairman, but it is not possible to distinguish any further here.
[3] Decisions made solely by marketing/public relations/corporate affairs department.
[4] Decisions jointly made by any combination of the above four categories of people but including CEO/ Chairman/ senior managers.
[5] Decisions jointly made by any combination of the above four categories of people but excluding CEO/ Chairman/ senior managers.
[6] The American survey has a built in bias toward company foundations in that the organisational shape of company foundations is a well established form of corporate contributions in the United States. The factor of company foundations is one used in the stratification of the sampling universe; the figures here can thus only be considered as estimates.

Table 4. 7. 2 Decision Makers in Arts Sponsorship Programmes (Combined)(U. K.)

	Number of Firms	Percentage of Responses	Percentage of Firms
Chairman/Chief Executive/ Senior Managers	115	43.7	68.9
Sponsorship Committee	34	12.9	20.4
Marketing /Public Relation/ Corporate Affairs Department	103	39.2	61.7
Company Foundation	2	0.8	1.2
Others	9	3.4	5.4
	263	100.0	157.5

Valid cases : 167 Missing cases: 2

*Some totals include multiple response.

Table 4. 7. 2A Decision Makers in Arts Sponsorship Programmes (Detail) (U. K.)

	Number of Firms	Percentage of Firms
Chairman/Chief Executive/ Senior Managers[1]	47	28.3
Sponsorship Committee[2]	11	6.6
Marketing/Public Relations/ Corporate Affairs Department[3]	31	18.7
Joint decisions (including Chairman/ Chief Executive/Senior Managers) [4]	67	40.4
Joint decisions (excluding Chairman/ Chief Executive/Senior Managers) [5]	10	6.0

Valid cases: 166 Missing cases: 3

[1] Decisions made solely by Chairman/Chief Executive/ senior managers.
[2] Decisions made solely by sponsorship committee. The category of sponsorship committee often includes CEO and chairman, but it is not possible to distinguish any further here.
[3] Decisions made solely by marketing/public relations/corporate affairs department.
[4] Decisions jointly made by any combination of the above three categories of people but including Chairman/Chief Executive/ senior managers.
[5] Decisions jointly made by any combination of the above three categories of people but excluding Chairman/Chief Executive/ senior managers.

Table 4. 8. 1 Factors Governing Choice of Sponsorship (U. S.)

	Geographic Location (headquarters)		Geographic Location (branch offices and plants)		Publicity Value		Personal Preference of Senior Management	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	1	2.0	2	4.2	2	4.3	3	6.1
Fairly Unimportant	1	2.0	1	2.1	9	19.1	5	10.2
Neither Important Nor Unimportant	1	2.0	3	6.3	7	14.9	9	18.4
Fairly Important	4	8.2	7	14.6	25	53.2	15	30.6
Very Important	42	85.7	35	72.9	4	8.5	17	34.7

	Facilities for Corporate Entertainment		Employee Involvement		Support by Other Firms		Appeals from Directors by Other Firms	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	12	25.5	1	2.1	3	6.3	2	4.3
Fairly Unimportant	11	23.4	1	2.1	8	16.7	9	19.6
Neither Important Nor Unimportant	17	36.2	6	12.5	10	20.8	14	30.4
Fairly Important	5	10.6	24	50.0	24	50.0	15	32.6
Very Important	2	4.3	16	33.3	3	6.3	6	13.0

(Table 4.8.1 continues)

	Contribution to Local Community		Support by National Endowment for the Arts		Support by state arts councils		Status and Reputation of the Arts Organisations	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	—	—	9	19.6	6	13.0	—	—
Fairly Unimportant	—	—	9	19.6	10	21.7	3	6.3
Neither Important Nor Unimportant	1	2.0	23	50.0	23	50.0	4	8.3
Fairly Important	13	26.0	5	10.9	7	15.2	21	43.8
Very Important	36	72.0	—	—	—	—	20	41.7

	Size of Potential Audience		Quality of Application		Artistic Merit		Management Skills of Arts Organisations	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	1	2.1	3	6.4	—	—	—	—
Fairly Unimportant	4	8.5	1	2.1	2	4.3	2	4.3
Neither Important Nor Unimportant	7	14.9	10	21.3	8	17.0	7	14.9
Fairly Important	23	48.9	24	51.1	24	51.1	26	55.3
Very Important	12	25.5	9	19.1	13	27.7	12	25.5

* Missing responses account for discrepancies in some totals.

Table 4. 8. 2 Factors Governing Choice of Sponsorship (U. K.)

	Geographic Location (headquarters)		Geographic Location (branch offices and plants)		Publicity Value		Personal Preference of Senior Management	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	14	9.9	22	16.1	3	2.0	17	12.6
Fairly Unimportant	5	3.5	5	3.6	—	—	12	8.9
Neither Important Nor Unimportant	21	14.9	17	12.4	17	11.3	34	25.2
Fairly Important	43	30.5	40	29.2	54	36.0	55	40.7
Very Important	58	41.1	53	38.7	76	50.7	17	12.6

	Facilities for Corporate Entertainment		Employee Involvement		Support by Other Firms		Appeals from Directors by Other Firms	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of ;Firms	Percentage of Firms
Very Unimportant	8	5.3	6	4.3	34	26.2	39	29.8
Fairly Unimportant	5	3.3	16	11.5	34	26.2	30	22.9
Neither Important Nor Unimportant	23	15.3	40	28.8	43	33.1	40	30.5
Fairly Important	62	41.3	68	48.9	13	10.0	19	14.5
Very Important	52	34.7	9	6.5	6	4.6	3	2.3

(Table 4.8.2 continues)

	Contribution to Local Community		Support by National-Level Arts Councils		Support by Regional Arts Boards		Status and Reputation of the Arts Organisations	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	2	1.3	32	24.2	31	24.4	5	3.5
Fairly Unimportant	8	5.4	33	25.0	30	23.6	7	4.9
Neither Important Nor Unimportant	18	12.1	46	34.8	48	37.8	13	9.1
Fairly Important	52	34.9	15	11.4	16	12.6	63	44.1
Very Important	69	46.3	6	4.5	2	1.6	55	38.5

	Size of Potential Audience		Quality of Application		Artistic Merit		Management Skills of Arts Organisations	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	5	3.5	6	4.3	3	2.0	7	5.0
Fairly Unimportant	8	5.6	2	1.4	2	1.3	10	7.2
Neither Important Nor Unimportant	34	23.9	25	17.9	23	15.3	25	18.0
Fairly Important	60	42.3	60	42.9	60	40.0	61	43.9
Very Important	35	24.6	47	33.6	62	41.3	36	25.9

* Missing responses account for discrepancies in some totals.

Table 4. 9. 1 Success of Arts Sponsorship Programmes (U. S.)

	Good Public Relations		Employee Benefits		Corporate Hospitality		Targeted Audience	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unssuccessful	—	—	—	—	—	—	—	—
Fairly Unssuccessful	—	—	1	2.1	2	4.3	—	—
Neither Successful Nor Unssuccessful	5	10.0	11	22.9	17	37.0	14	30.4
Fairly Successful	27	54.0	28	58.3	20	43.5	21	45.7
Very Successful	18	36.0	8	16.7	7	15.2	11	23.9

	Imporved Corporate Image	
	Number of Firms	Percentage of Firms
Very Unssuccessful	—	—
Fairly Unssuccessful	—	—
Neither Successful Nor Unssuccessful	6	12.0
Fairly Successful	30	60.0
Very Successful	14	28.0

* Missing responses account for discrepancies in some totals.

Table 4. 9. 2 Success of Arts Sponsorship Programmes (U. K.)

	Good Public Relations		Employee Benefits		Corporate Hospitality		Targeted Audience		Improved Corporate Image	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unsuccessful	—	—	3	2.1	5	3.2	3	2.0	3	1.9
Fairly Unsuccessful	2	1.3	7	5.0	4	2.5	2	1.3	1	0.6
Neither Successful Nor Unsuccessful	13	8.2	57	40.4	21	13.3	31	20.8	16	10.3
Fairly Successful	70	44.0	61	43.3	52	32.9	60	40.3	73	46.8
Very Successful	74	46.5	13	9.2	76	48.1	53	35.6	63	40.4

* Missing responses account for discrepancies in some totals.

Table 4. 10 Percentage of Dollar Allocation Among Beneficiaries of Corporate Support for the Arts, 1984 and 1986 (U. S.)

Beneficiaries	1984 (%)	1986 (%)
Museums	19.6	19.1
Music	12.7	12.0
Public TV/ Radio	12.1	10.9
Employee Matching Gifts	5.8	7.4
Theatres	6.0	7.0
Arts Fund and Councils	5.4	6.1
Cultural Centres	9.5	5.9
Dance	2.3	2.7
Other*	25.0	28.9
Number of Companies	415	370

* Other and subcategories unspecified

Source: Conference Board, *Annual Report of Corporate Contribution*, 1988 edition, Advance Report (New York: Conference Board, 1988); Quoted in Michael Useem, "Corporate Support for Culture and the Arts," in Margaret Jane Wyszomirski and Pat Clubb, *The Cost of Culture*, p. 54.

Table 4.11.1 Preferred Organisations/Activities for Arts Sponsorship Programmes (U. S.)

	Arts Centres Number of Firms	Arts Centres Percentage of Firms	Arts Councils/United Arts Funds Number of Firms	Arts Councils/United Arts Funds Percentage of Firms	Community Arts Groups Number of Firms	Community Arts Groups Percentage of Firms	Art Museums Number of Firms	Art Museums Percentage of Firms
Very Unlikely	3	6.7	5	10.4	—	—	1	1.9
Fairly Unlikely	7	15.6	9	18.8	4	8.7	2	3.8
Neither Likely Nor Unlikely	9	20.0	6	12.5	5	10.9	6	11.5
Fairly Likely	12	26.7	17	35.4	21	45.7	18	34.6
Very Likely	14	31.1	11	22.9	16	34.8	25	48.1

	Museum of Other Types Number of Firms	Museum of Other Types Percentage of Firms	Literature Number of Firms	Literature Percentage of Firms	Public TV/Radio Number of Firms	Public TV/Radio Percentage of Firms	Visual Arts/Crafts Number of Firms	Visual Arts/Crafts Percentage of Firms
Very Unlikely	1	2.1	7	15.6	5	10.4	5	10.9
Fairly Unlikely	5	10.4	17	37.8	2	4.2	10	21.7
Neither Likely Nor Unlikely	9	18.8	15	33.3	7	14.6	13	28.3
Fairly Likely	16	33.3	4	8.9	18	37.5	10	21.7
Very Likely	17	35.4	2	4.4	16	33.3	8	17.4

(Table 4.11.1 continues)

	National Organisations		Theatres		Symphony/Chamber Orchestra/Opera		Dance	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unlikely	20	43.5	—	—	1	2.0	2	4.3
Fairly Unlikely	10	21.7	4	8.2	1	2.0	10	21.3
Neither Likely Nor Unlikely	11	23.9	10	20.4	2	4.0	13	27.7
Fairly Likely	2	4.3	18	36.7	20	40.0	12	25.5
Very Likely	3	6.5	17	34.7	26	52.0	10	21.3

	Film/Video	
	Number of Firms	Percentage of Firms
Very Unlikely	12	25.0
Fairly Unlikely	19	39.6
Neither Likely Nor Unlikely	9	18.8
Fairly Likely	7	14.6
Very Likely	1	2.1

* Missing responses account for discrepancies in some totals.

Table 4.11.2 Preferred Organisations/Activities for Arts Sponsorship Programmes (U. K.)

	Arts Centres		Arts Councils (GB, Wales, Scotland, N. Ireland)		Regional Arts Boards		Local Arts Associations	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unlikely	14	20.0	38	53.5	35	50.0	9	12.0
Fairly Unlikely	24	34.3	16	22.5	15	21.4	17	22.7
Neither Likely Nor Unlikely	20	28.6	6	8.5	8	11.4	10	13.3
Fairly Likely	11	15.7	7	9.9	11	15.7	29	38.7
Very Likely	1	1.4	4	5.6	1	1.4	10	13.3

	Community Arts Groups		Art Museum/Galleries		Museums of Other Types		Literature	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unlikely	10	13.7	8	9.8	13	18.3	17	24.3
Fairly Unlikely	12	16.4	12	14.6	16	22.5	18	25.7
Neither Likely Nor Unlikely	10	13.7	14	17.1	19	26.8	18	25.7
Fairly Likely	23	31.5	31	37.8	17	23.9	12	17.1
Very Likely	18	24.7	17	20.7	6	8.5	5	7.1

(Table 4.11.2 continues)

	Public TV/Radio		Visual Arts/Crafts		National Organisations		Theatres	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unlikely	17	23.6	6	8.1	12	16.2	5	6.1
Fairly Unlikely	19	26.4	8	10.8	10	13.5	6	7.3
Neither Likely Nor Unlikely	17	23.6	12	16.2	17	23.0	17	20.7
Fairly Likely	12	16.7	30	40.5	14	18.9	28	34.1
Very Likely	7	9.7	18	24.3	21	28.4	26	31.7

	Symphony/Chamber Orchestra/Opera		Dance		Film/Video	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unlikely	2	2.3	7	9.5	15	21.1
Fairly Unlikely	2	2.3	9	12.2	23	32.4
Neither Likely Nor Unlikely	8	9.1	19	25.7	21	29.6
Fairly Likely	29	33.0	21	28.4	6	8.5
Very Likely	47	53.4	18	24.3	6	8.5

* Missing responses account for discrepancies in some totals.

** Note: Since the original sample includes members from the ABSA, Serpentine Gallery, Royal Academy, Tate Gallery, Hayward Gallery (South Bank Centre), Barbican Art Gallery and the Whitechapel Gallery, there is already a bias toward the visual arts. For the purpose of this comparison, I therefore chose to run the data based on ABSA members only (112 out of the total respondents (169) are ABSA members).

Table 4. 12. 1 Percentage of Audiences in Five Educational Categories by Art Form

Art Form	Educational Level: Post-BA Training		At Least College Graduate		At Least Some College		High School Graduate or Less		Lee than High School Graduate	
	Median	Range	Median	Range	Median	Range	Median	Range	Median	Range
All Museums	17.5	6-35	41.1	10-66	72.3	30-93	27.6	8-69	9.0	4-57
Art Museums	22.0	18-35	48.0	41-66	83.5	75-90	17.0	10-25	5.5	4-16
Other Museums[1]	13.5	6-20	34.4	10-53	59.6	30-93	40.4	8-69	13.1	7-57
All Performing Arts[2]	32.0	9-66	61.8	23-87	83.0	62-95	17.0	5-38	4.0	1-19
Theatre	32.7	20-50	58.0	23-80	82.7	56-93	17.1	8-44	4.0	1-15
Classical Music	37.5	21-66	63.0	46-87	83.4	63-95	14.6	5-37	1.7	1-19
Ballet and Dance[3]	45.5	20-50	65.0	55-73	87.1	77-92	12.9	8-23	3.0	1-5
Opera	37.3	29-49	61.8	49-75	83.0	67-94	18.8	7-33	4.1	2-7
All Museums and Performing Arts	30.0	6-66	54.0	10-87	78.0	30-95	22.0	5-69	5.0	1-57
U.S. Population Over 24 Years of Age, 1975	NA[4]		13.9		26.3		73.7		37.5	

[1] Includes science, history, natural history, anthropology and general museums.
[2] Excludes audience of outdoor dramas.
[3] Dance audience percentages apart from ballet available only for two education levels: at least college graduate and less than high school graduate.
[4] NA = Not available.
* The table is adapted from Paul DiMaggio *et al.*, *Audience Studies of the Performing Arts and Museums: A Critical Review* (Washington D.C.: National Endowment for the Arts, 1978), p. 20.

Table 4. 12. 2 Occupational Distribution of Audience

Occupations of Employed Persons[1]	Percentage of U.S. Employment (1975)[2]	Median Percentage of Employed Respondents in Arts Audience[3]	Number of Audience Studies Reporting Information for this Category
Profesionals	15.0	55.9	65
Teachers	4.1	22.1	22
Artists, Writers, Entertainers	1.0	8.2	8
Managerial	10.5	14.9	51
Clerical/Sales	24.3	14.6	41
Service	13.7	3.7	13
Blue-Collar	33.0	3.7	71
Farmworkers	3.5	—	—[4]
Major Activities of Persons Unemployed or Not in the Labor Force	**Percentage of U.S. Population Aged 16 Years or Over**	**Meidan Percentage of All Respondents in Arts Audience**	**Number of Audience Studies Reporting Information for this Category**
Homemakers	23.1	14.0	78
Students	5.5	18.0	80
Retired, Unemployed	11.2	4.5	65

[1] U.S. Census categories and audience categories are only approximately comparable due to varying classification schemes used in arts audience studies.

[2] Source: U.S. Bureau of the Census, *Statistical Abstracts, 1976* (Washington D.C.: Government Printing Office, 1976); U.S. Bureau of Labor Statistics, *Handbook of Labor Statistics*, 1976. Figure for U.S. population aged 16 or over exclude military personnel.

[3] Because these are medians and because not all occupational categories were given in each study, an aggregation of the median percentages across occupations will not equal 100 percent. Thus, these figures offer only an approximate distribution of the arts audience by occupation.

[4] None of the arts audience studies contained an occupational category for farmworkers. Thus, they were either distributed among the other categories or very few, if any, were found in the arts audiences.

* Source: Paul DiMaggio *et al.*, *Audience Studies of the Performing Arts and Museums: A Critical Review* (Washington D.C.: National Endowment for the Arts, 1978), p. 22.

Table 4. 12. 3 Median Income of Audiences by Art Form

Art Form	Median of Median Incomes[1]	Range of Median Incomes	Total Number of Studies
All Museums	$17,158	$13,394-30,618	18
Art Museums	18,148	14,016-30,618	10
History Museums	16,757	13,394-29,055	3
Science Museums	17,269	14,765-20,851	5
All Performing Arts	18,903	9,466-28,027	70
Ballet and Dance	20,082	16,452-22,404	10
Theatre			
Excluding Outdoor Drama	19,342	9,469-25,784	27
Including Outdoor Drama	16,819	9,466-25,784	45
Orchestra	20,825	18,221-28,027	11
Opera	21,024	19,017-27,245	5

[1] In constant mid-1976 dollars.

* Source: Paul DiMaggio *et al.*, *Audience Studies of the Performing Arts and Museums: A Critical Review* (Washington D.C.: National Endowment for the Arts, 1978), p. 30.

Table 4.13.1 Targeted Audiences for Arts Sponsorship (U. S.)

	Senior Civil Servants/Politicians		Opinion Formers/Journalists		Customers of the Company		General Public	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	12	29.3	12	28.6	3	6.7		
Fairly Unimportant	4	9.8	1	2.4	2	4.4		
Neither Important Nor Unimportant	17	41.5	13	31.0	8	17.8	2	3.9
Fairly Important	5	12.2	11	26.2	18	40.0	18	35.3
Very Important	3	7.3	5	11.9	14	31.1	31	60.8

* Missing responses account for discrepancies in some totals.
** Valid cases: 51. Missing cases: 3.

Table 4.13.2 Targeted Audiences for Arts Sponsorship (U. K.)

	Senior Civil Servants/Politicians		Opinion Formers/Journalists		Customers of the Company		General Public	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	14	11.5	7	5.0	2	1.3	15	10.5
Fairly Unimportant	15	12.3	9	6.4	3	1.9	10	7.0
Neither Important Nor Unimportant	20	16.4	13	9.3	7	4.5	20	14.0
Fairly Important	36	29.5	45	32.1	42	27.3	50	35.0
Very Important	37	30.3	66	47.1	100	64.9	48	33.6

* Missing responses account for discrepancies in some totals.

Table 4.14.1 Involvement Or Not in Institution to Which Sponsorship is Given (U. S.)

	Number of Firms	Percentage of Firms
Yes	17	33.3
No	34	66.7

Valid cases : 51 Missing cases: 3

Table 4.14.2 Involvement Or Not in Institution to Which Sponsorship is Given (U. K.)

	Number of Firms	Percentage of Firms
Yes	40	30.7
No	104	69.3

Valid cases: 150 Missing cases: 19

Table 6. 1. 1 Reasons for Initiating Art Collections (U. S.)

	He or She Had a Personal Interest in Art		Relocation or Expansion of the Firm		To Keep Up with Business Trends		To Enhance the Working Environment	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	1	1.6	7	11.1	20	42.6	1	1.5
Fairly Unimportant	1	1.6	—	—	6	12.8	—	—
Neither Important Nor Unimportant	7	11.1	6	9.5	16	34.0	2	2.9
Fairly Important	16	25.4	10	15.9	4	8.5	15	22.1
Very Important	38	60.3	40	63.5	1	2.1	50	73.5

	To Generate Good Public Relations		Part of Advertising Effort		Tax Concessions		Investment	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	3	5.7	24	48.0	29	60.4	15	30.6
Fairly Unimportant	4	7.5	6	12.0	5	10.4	8	16.3
Neither Important Nor Unimportant	11	20.8	15	30.0	14	29.2	19	38.8
Fairly Important	26	49.1	2	4.0	—	—	5	10.2
Very Important	9	17.0	3	6.0	—	—	2	4.1

Number of respondents: 72 * Missing responses account for discrepancies in some totals.

Table 6. 1. 2 Reasons for Initiating Art Collections (U. K.)

	He or She Had a Personal Interest in Art		Relocation or Expansion of the Firm		To Keep Up with Business Trends		To Enhance the Working Environment	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	2	6.5	9	31.0	12	50.0	2	5.7
Fairly Unimportant	—	—	1	3.4	6	25.0	—	—
Neither Important Nor Unimportant	1	3.2	1	3.4	4	16.7	1	2.9
Fairly Important	12	38.7	6	20.7	1	4.2	10	28.6
Very Important	16	51.6	12	41.4	1	4.2	22	62.9

	To Generate Good Public Relations		Part of Advertising Effort		Tax Concessions		Investment	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
Very Unimportant	2	7.1	14	60.9	19	82.6	11	39.3
Fairly Unimportant	5	17.9	3	13.0	2	8.7	3	10.7
Neither Important Nor Unimportant	10	35.7	4	17.4	2	8.7	11	39.3
Fairly Important	7	25.0	—	—	—	—	3	10.7
Very Important	4	14.3	2	8.7	—	—	—	—

Number of respondents: 38 * Missing responses account for discrepancies in some totals.

Table 6. 2. 1 Tax Benefits Obtained from Purchasing Works of Art (U. S.)

	Investment Tax Credit for the Years 1980 Through 1985		(Accelerated) Depreciation		Other Tax Benefits	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
No	49	96.1	49	94.2	48	94.1
Yes	2	3.9	3	5.8	1	2.0
Gift to Museums	—	—	—	—	2	3.9

Number of respondents: 72

* Missing responses account for discrepancies in some totals.

Table 6. 2. 2 Tax Benefits Obtained from Purchasing Works of Art (U. K.)

	Art Works Qualified as Revenue Expenditure		Art Works Qualified for Capital Allowances		We Reclaimed VAT on Art Purchases		Other Tax Benefits	
	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms	Number of Firms	Percentage of Firms
No	18	78.3	18	94.7	18	75.0	18	94.7
Yes	5	21.7	1	5.3	6	25.0	—	—
Capital Depreciation	—	—	—	—	—	—	1	5.3

Number of repondents: 38

* Missing responses account for discrepancies in some totals.

Table 6. 3 Art Purchases Categorised as Business Expenses (U. S.)

	Number of Firms	Percentage of Firms
Yes	3	5.9
No	48	94.1

Valid cases : 51 Missing cases: 21

Table 6. 4. 1 Percentage of Corporate Art Collectors from All Business Sectors by Decades (U. S.)

	By 1960		By 1970		By 1980		By 1990	
Business Types[a]	Number of Companies	Percent of Total	Number of Companies	Percent of Total	Number of Companies	Percent of Total	Number of Companies	Percent of Total
Financial Services	5	41.7	8	38.1	16	41.0	24	36.4
Publishing/Media/Public Relations	2	16.7	3	14.3	4	10.3	6	9.1
Legal Services/ Accountancy/ Real Estate Development	1	8.3	4	19.0	5	12.8	13	19.7
Utilities/ Energy/ Transportation/Freight Companies/Hotels	—	—	1	4.8	2	5.1	4	6.1
Manufacturing	4	33.3	5	23.8	11	28.2	17	25.8
Hospitals/Medical Services	—	—	—	—	1	2.6	2	3.0
Total[b]	12[1]	100.0	21[2]	100.0	39[3]	100.0	66[4]	100.0

[1] Missing case: 0 [2] Missing case: 0 [3] Missing case: 0 [4] Missing case: 0

[a] For detailed classification of business types, see Appendix 2, Exhibit 1.

[b] For the purposes of this analysis, five of the law firms in Washington D.C. are excluded because they are over-represented in the sampling population as a result of surveying each firm in Washington D.C.; for details of survey methodology, see Appendix 2. The total valid responses for this analysis are 67, including one collection started in the 1990s. If this collection is included, the percentage for each business type up to the time of the survey (April 1993) would be : 34%, 8.7%, 23.2%, 5.8%, 24.6% and 2.9%.

Table 6. 4. 2 Percentage of Corporate Art Collectors from All Business Secotr by Decades (U. K.)

Business Types[a]	By 1960 Number of Companies	By 1960 Percent of Total	By 1970 Number of Companies	By 1970 Percent of Total	By 1980 Number of Companies	By 1980 Percent of Total	By 1990 Number of Companies	By 1990 Percent of Total
Financial Services	4	66.7	9	69.2	14	66.7	16	45.7
Publishing/Media/Public Relations	—	—	—	—	1	4.8	1	2.9
Legal Services/ Accountancy/ Real Estate Development	—	—	—	—	1	4.8	7	20.0
Utilities/ Energy/ Transportation/Freight Companies/Hotels	—	—	—	—	—	—	2	5.7
Manufacturing	2	33.3	4	30.8	5	23.8	9	25.7
Hospitals/Medical Services	—	—	—	—	—	—	—	—
Total[b]	6[1]	100.0	13[2]	100.0	21[3]	100.0	35[4]	100.0

[1] Missing case: 0 [2] Missing case: 0 [3] Missing case: 0 [4] Missing case: 0

[a] For detailed classification of business types, see Appendix 2, Exhibit 1.

[b] The total valid responses for this analysis are 38, including another three collections (all from the financial sector) started in the 1990s. If these three collections are included, the percentage for each business sector up to the time of the survey (September 1994) would be: 50.0%, 2.6%, 18.4%, 5.3%, 23.7%, and 0.0%.

Table 6. 5. 1 Position of Initiator of Corporate Art Collections (U. S.)

	Number of Firms	Percentage of Firms
CEO/Chairman	38	55.9
Senior Managers	5	7.4
Middle Managers	3	4.4
(Art)Specialists/Curators	4	5.9
Senior Partners/Managing Partner[1]	13	19.1
Public Affairs[2]	1	1.5
Others	2	2.9

Valid cases : 68 Missing cases: 4

[1] Partners as in partnerships, which have different organisational structure and do not fit in the classification of company.

[2] Public affairs include those departments which serve similar functions such as corporate communications, corporate affairs, community relations, and public relations, etc.

Table 6. 5. 2 Position of Initiator of Corporate Art Collections (U. K.)

	Number of Firms	Percentage of Firms
Chairman/ Chief Executive/ Managing Director	18	54.5
Senior Managers	4	12.1
Middle Managers	1	3.0
Senior Partners/Managing Partners	1	3.0
Partner	2	6.1
Public Affairs	4	12.1
Property Department	3	9.1

Valid cases: 33 Missing cases: 5

Table 6. 6. 1 Persons with Selection Authority (Combined) (U. S.)

	Number of Firms	Percentage of Responses	Percentage of Firms
CEO/Chairman/Senior Managers	43	35.2	62.3
In-House Art Committee	28	23.0	40.6
In-House Curators	28	23.0	40.6
Outside Art Consultants	17	13.9	24.6
Public Relations or Advertising Department	3	2.5	4.3
Others	3	2.5	4.3
	122	100.0	176.8

Valid cases : 69 Missing cases: 3

* Some totals include multiple responses.

Table 6. 6. 1A Persons with Selection Authority (Detail) (U. S.)

	Number of Firms	Percentage of Firms
CEO/Chairman/Senior Managers[1]	10	14.1
Joint decisions (including Chairman/ Chief Executive/Senior Managers) [2]	33	46.5
Joint decisions (excluding Chairman/ Chief Executive/Senior Managers) [3]	6	8.5
In-House Art Committee[4]	9	12.7
In-House Art Curators[5]	8	11.3
PR Department [6]	2	2.8
Unspecified Persons [7]	3	4.2

Valid cases: 71 Missing cases: 1

[1] Decisions made solely by CEO/Chairman/ senior managers.
[2] Decisions jointly made by any combination of the above five categories of people but including CEO/ Chairman/ senior managers.
[3] Decisions jointly made by any combination of the above five categories of people but excluding CEO/ Chairman/ senior managers.
[4] Decisions made solely by in-house art committee. The category of in-house art committee often includes chairman and CEO, but it is not possible to distinguish any further here.
[5] Decisions made solely by in-house art curators.
[6] Decisions made solely by marketing/public relations/corporate affairs department.
[7] Decisions made solely by unspecified persons.

Table 6. 6. 2 Persons with Selection Authority (Combined) (U. K.)

	Number of Firms	Percentage of Responses	Percentage of Firms
Chairman/Chief Executive/Senior Managers	23	50.0	65.7
In-House Art Committee	10	21.7	28.6
In-House Curators	3	6.5	8.6
Outside Art Consultants	4	8.7	11.4
Public Relations or Advertising Department	4	8.7	11.4
Others	2	4.3	5.7
	46	100.0	131.4

Valid cases : 35 Missing cases: 3

Table 6. 6. 2A Persons with Selection Authority (Detail) (U. K.)

	Number of Firms	Percentage of Firms
Chairman/Chief Executive/Senior Managers[1]	15	41.7
Joint decisions (including Chairman/ Chief Executive/Senior Managers) [2]	8	22.2
Joint decisions (excluding Chairman/ Chief Executive/Senior Managers) [3]	2	5.6
In-House Art Committee[4]	7	19.4
In-House Art Curators[5]	2	5.6
Unspecified Persons [6]	2	5.6

Valid cases: 35 Missing cases: 3

[1] Decisions made solely by Chairman/Chief Executive senior managers.
[2] Decisions jointly made by any combination of the above four categories of people but including Chairman/ Chief Executive/ enior managers.
[3] Decisions jointly made by any combination of the above four categories of people but excluding Chairman/Chief Executive/ senior managers.
[4] Decisions made solely by in-house art committee. The category of in-house art committee often includes chairman and CEO, but it is not possible to distinguish any further here.
[5] Decisions made solely by in-house art curators.
[6] Decisions made solely by unspecified persons.

Table 6. 7. 1 Are Some Works Inappropriate for Corporate Art Collections (U. S.)

	Number of Firms	Percentage of Firms
Yes	40	70.2
No	17	29.8

Valid cases : 57 Missing cases: 15

Table 6. 7. 2 Are Some Works Inappropriate for Corporate Art Collections (U. K.)

	Number of Firms	Percentage of Firms
Yes	12	40.0
No	17	56.7
Unable to Comment	1	3.3

Valid cases : 30 Missing cases: 8

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Fig. 2-1. Richard Wentworth, *Toy*, galvanised and tinned steel, 60 x 40 x 40 cm, 1983, Arts Council Collection.

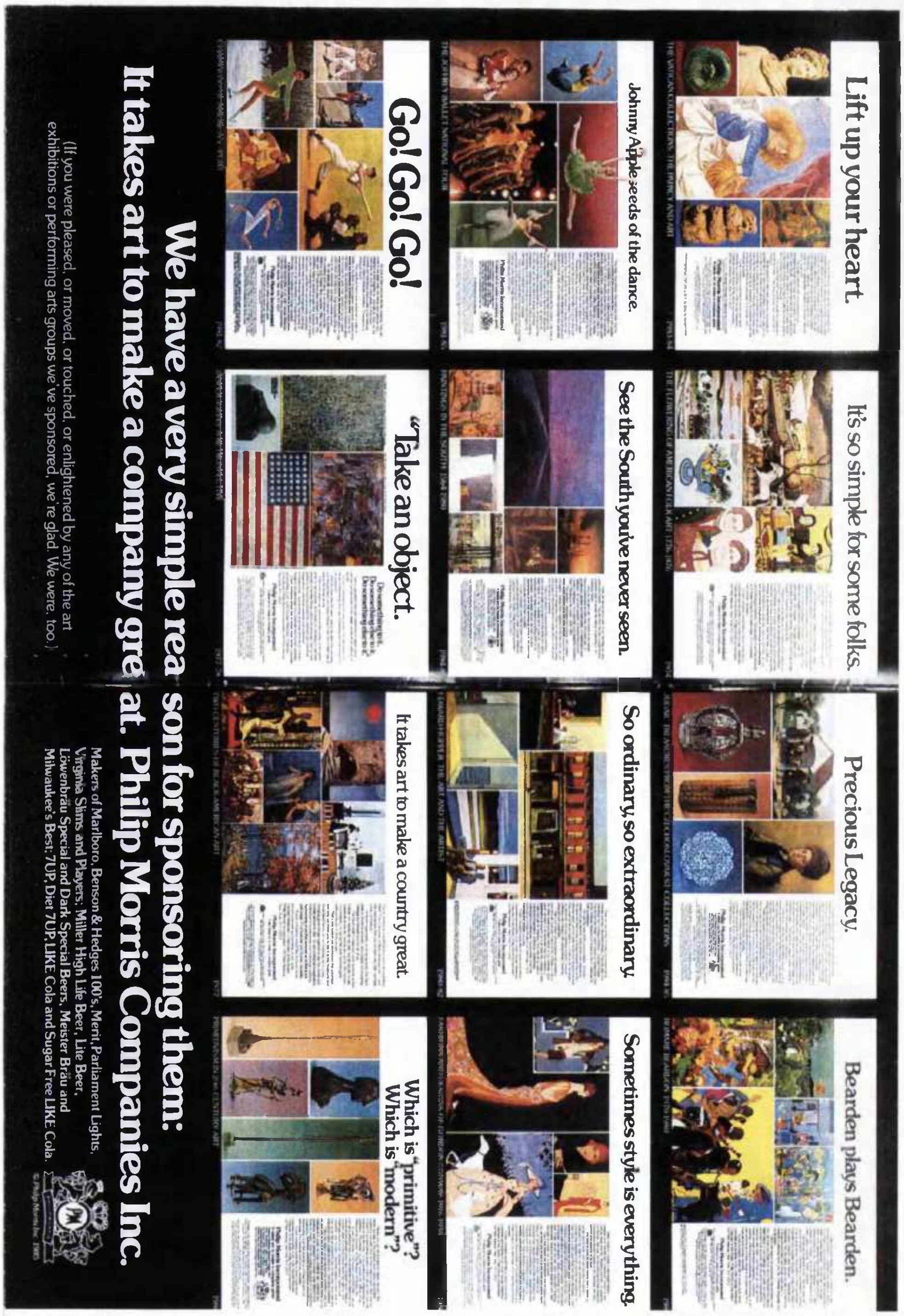

Fig. 3-1. Philip Morris Companies advertisement for its arts sponsorship, with the slogan "It takes art to make a company great," which appeared in *Forbes* 28 October 1985 and elsewhere.

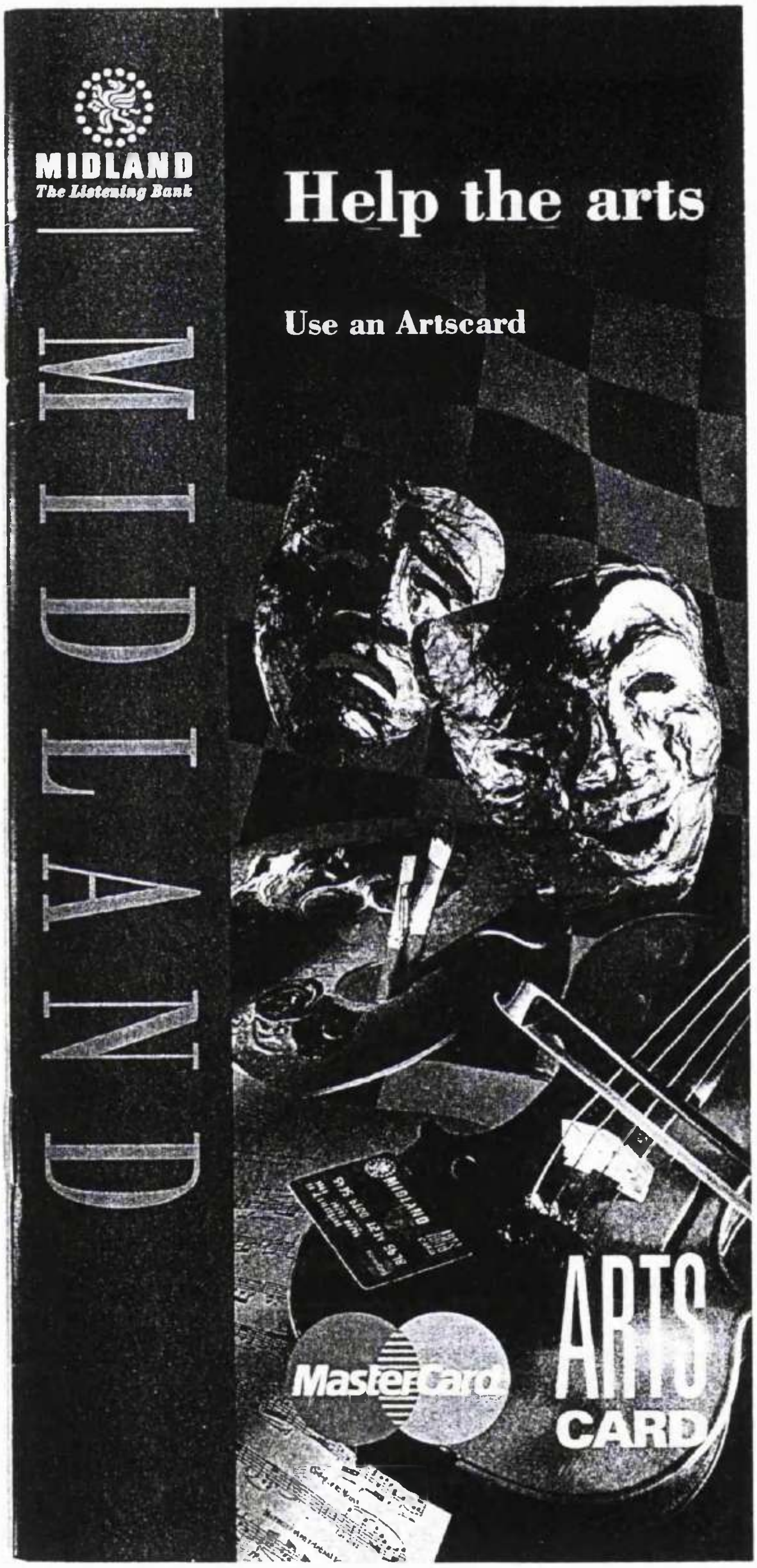

Fig. 3-2. Leaflets to advertise the Midland Bank Artscard.

Fig. 3-3. Andres Serrano, *Piss Christ*, Cibachrome, 60" x 40", 1987.

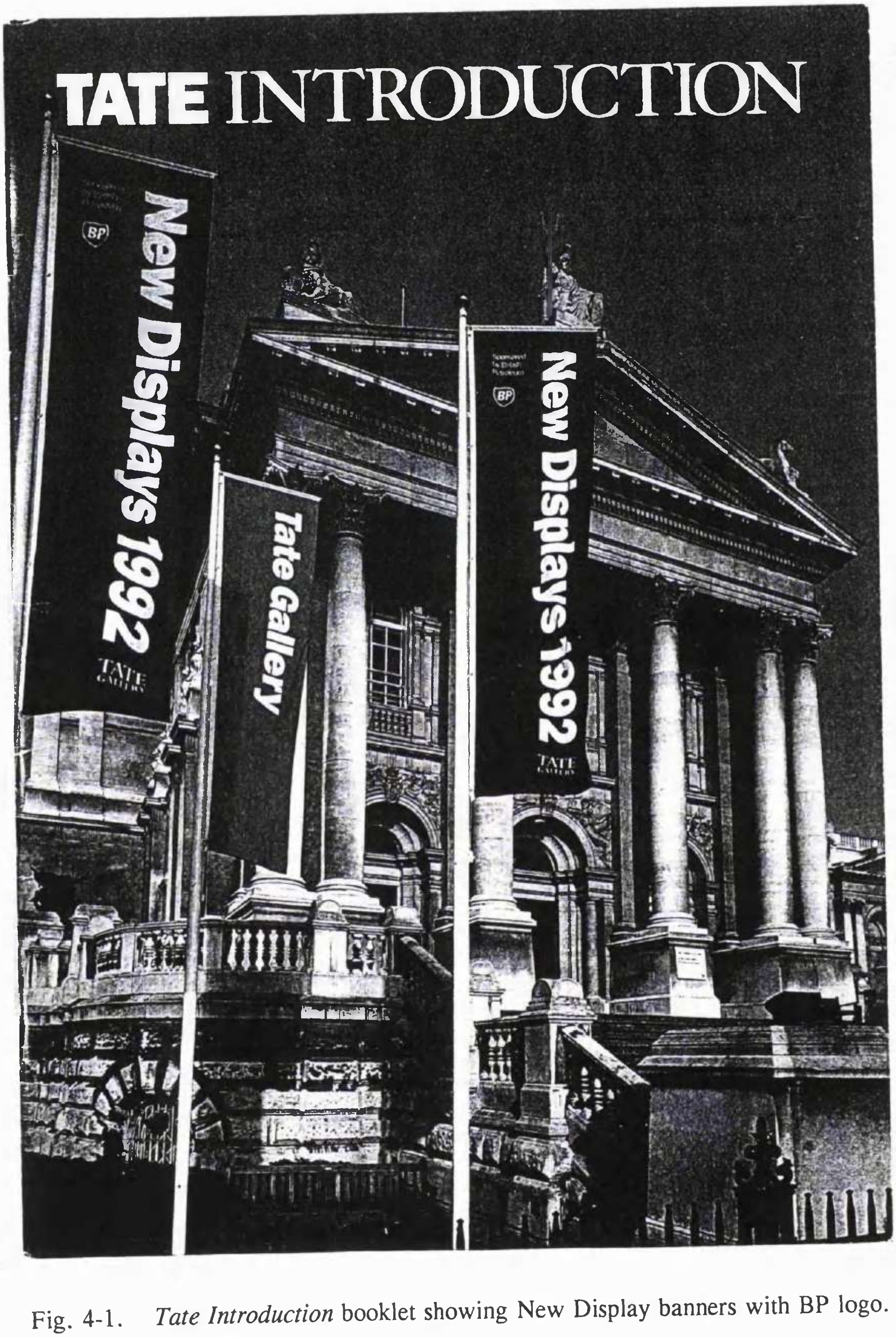

Fig. 4-1. *Tate Introduction* booklet showing New Display banners with BP logo.

Fig. 4-2. Beck's Beer bottle with label designed by Gilbert and George.

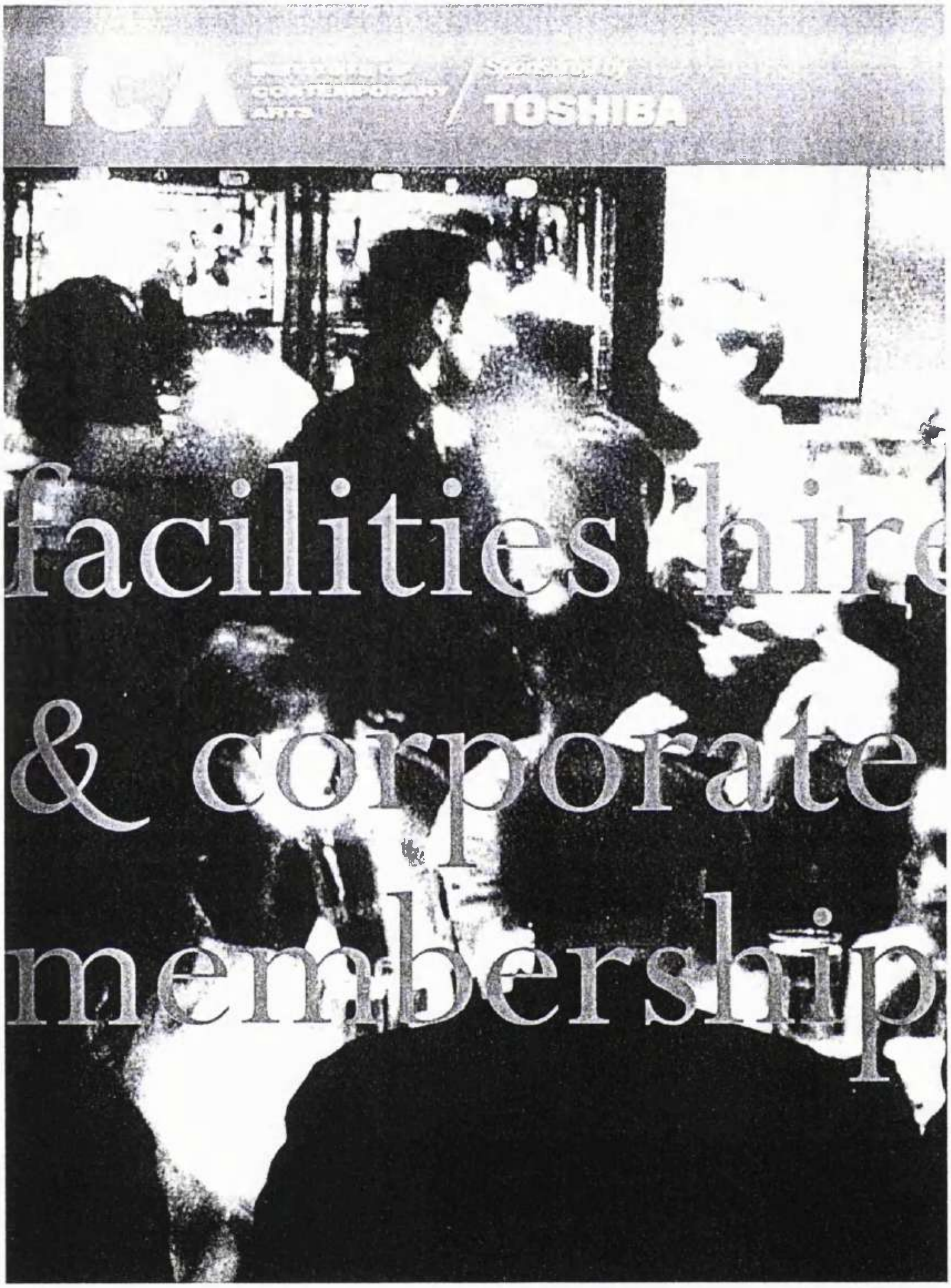

Fig. 4-3. ICA/Toshiba leaflet for facilities hire & corporate membership.

Fig. 4-4. Rachel Whiteread, *House*, 1993, Bow Road, London.

Fig. 4-5. Rachel Whiteread, *House* (detail).

Fig. 4-6. *House* Label designed by Rachel Whiteread on Beck's Beer.

Fig. 4-7. BP advertisement for its sponsorship of New Displays at Tate Gallery, which appeared in the *Burlington Magazine* and various other magazines.

Fig. 5-1. Sculptural court at Whitney Museum of American Art at Philip Morris, New York (with notice of prohibitions in use of space).

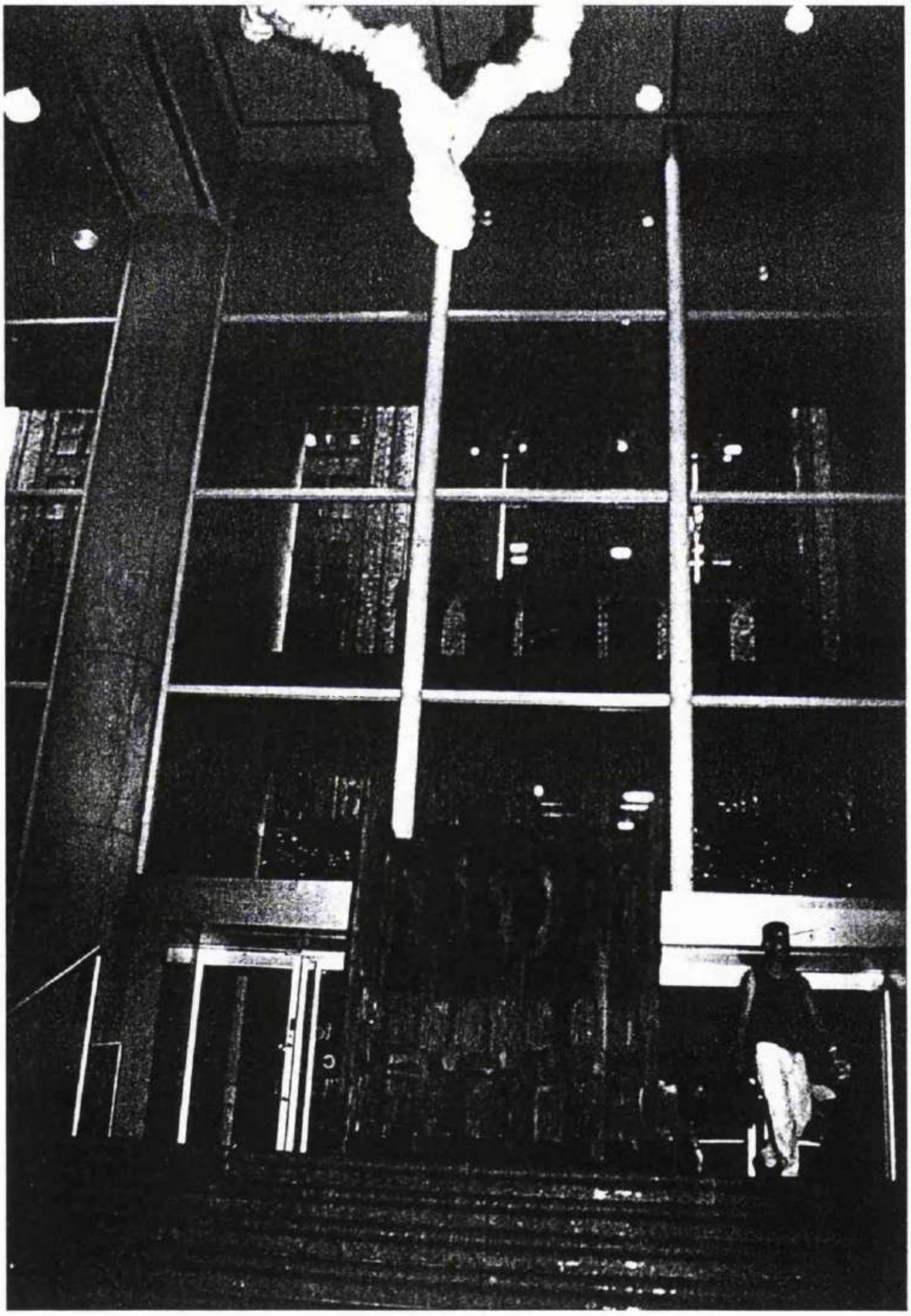

Fig. 5-2. View of Whitney Museum of American Art at Philip Morris, New York (with Michael Lekakis, *Untitled*, c. 1966-83).

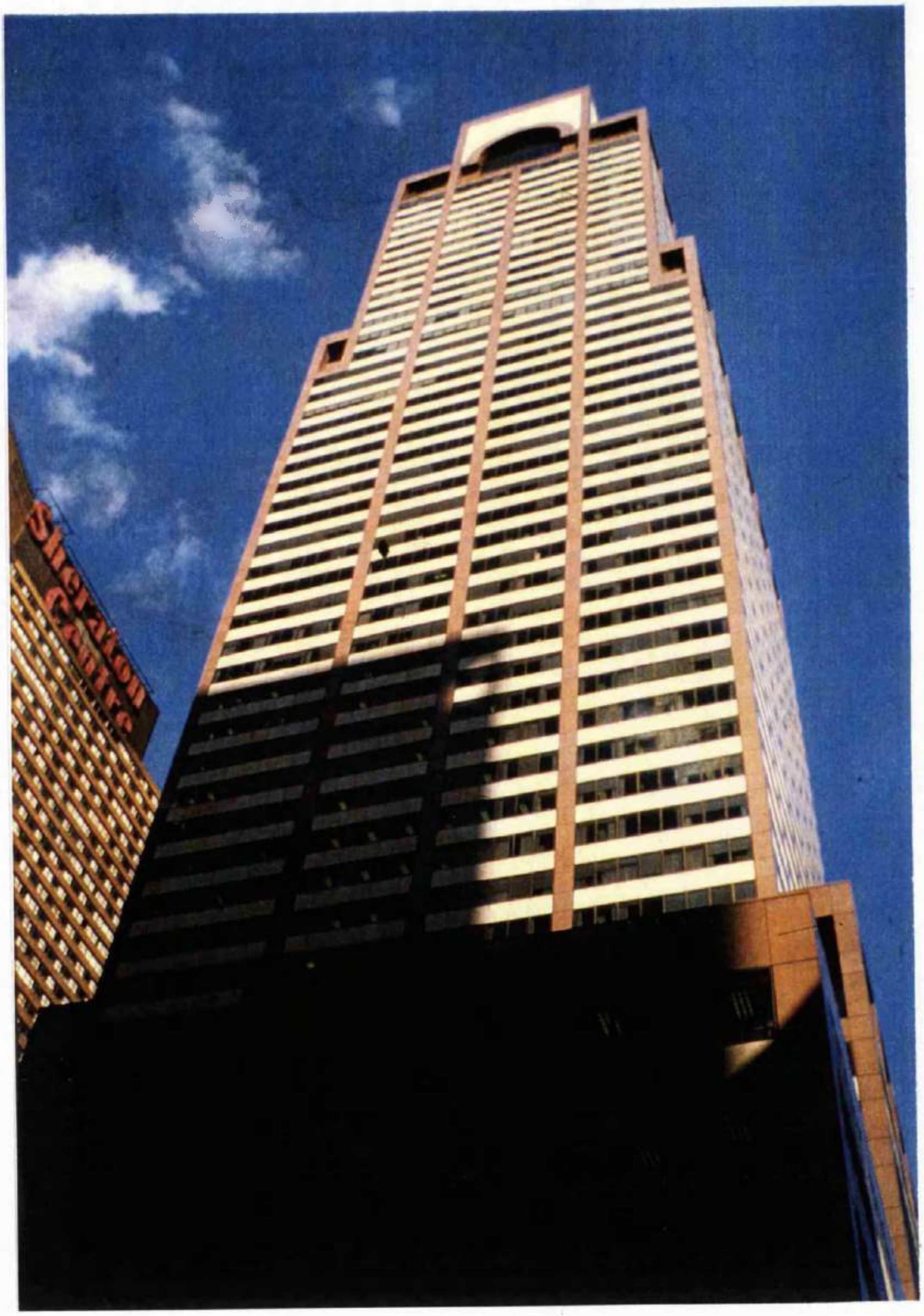

Fig. 5-3. General view of Equitable headquarters, New York.

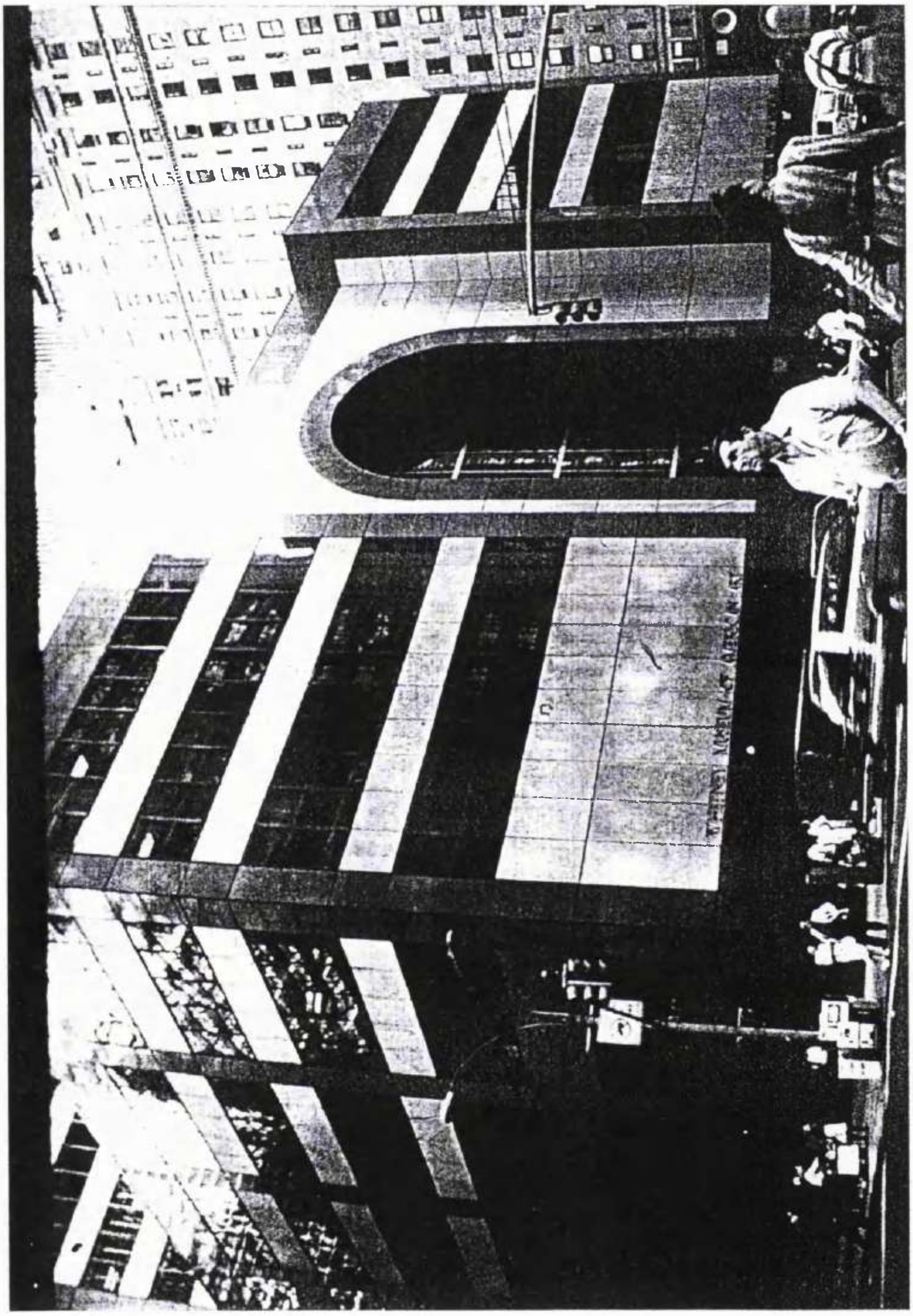

Fig. 5-4. Façade of Whitney Museum of American Art at Equitable, New York

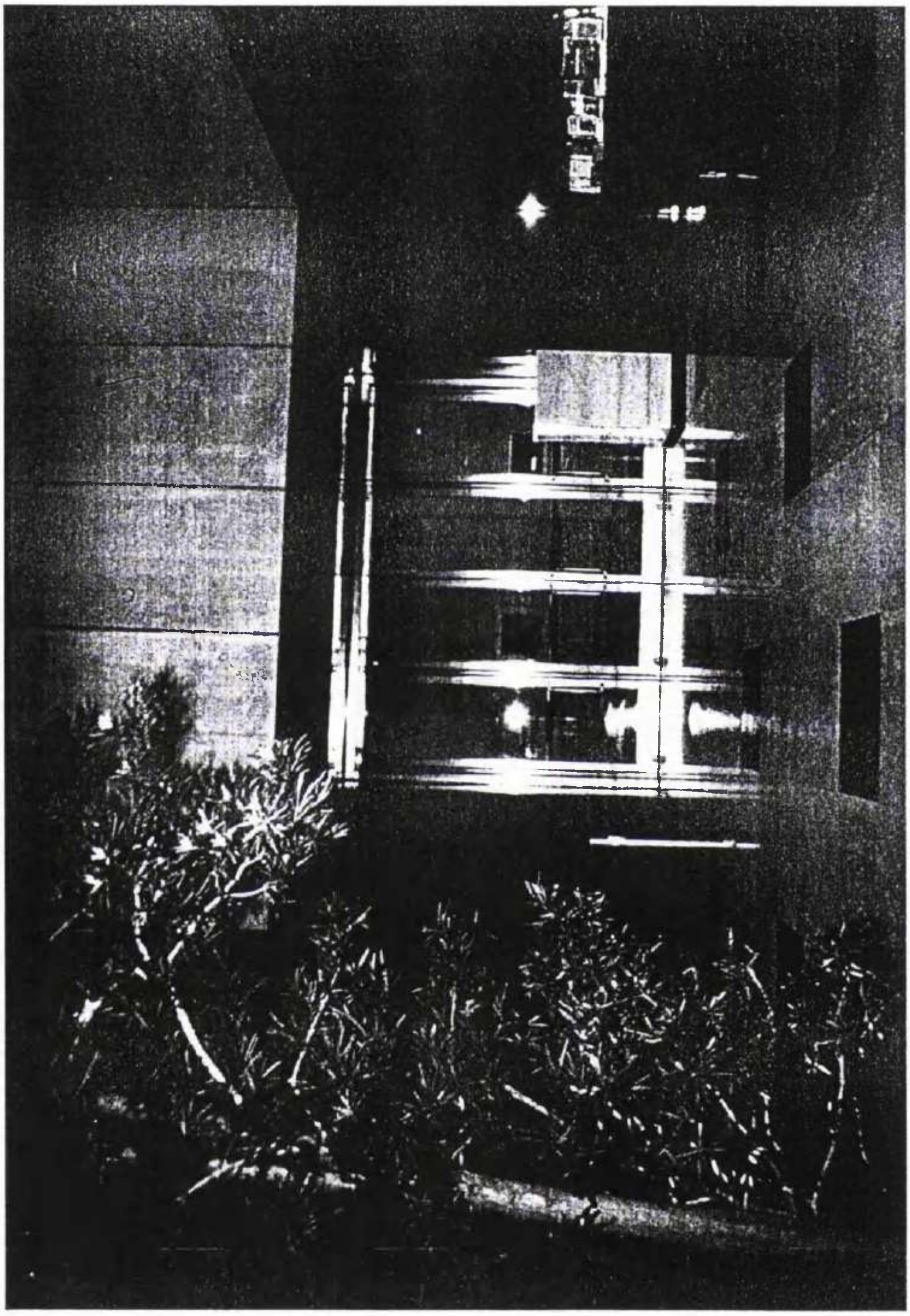

Fig. 5-5. Entrance to Whitney Museum of American Art at Equitable, New York

Fig. 5-6. Banner proclaiming "public space" at Sony Building, New York.

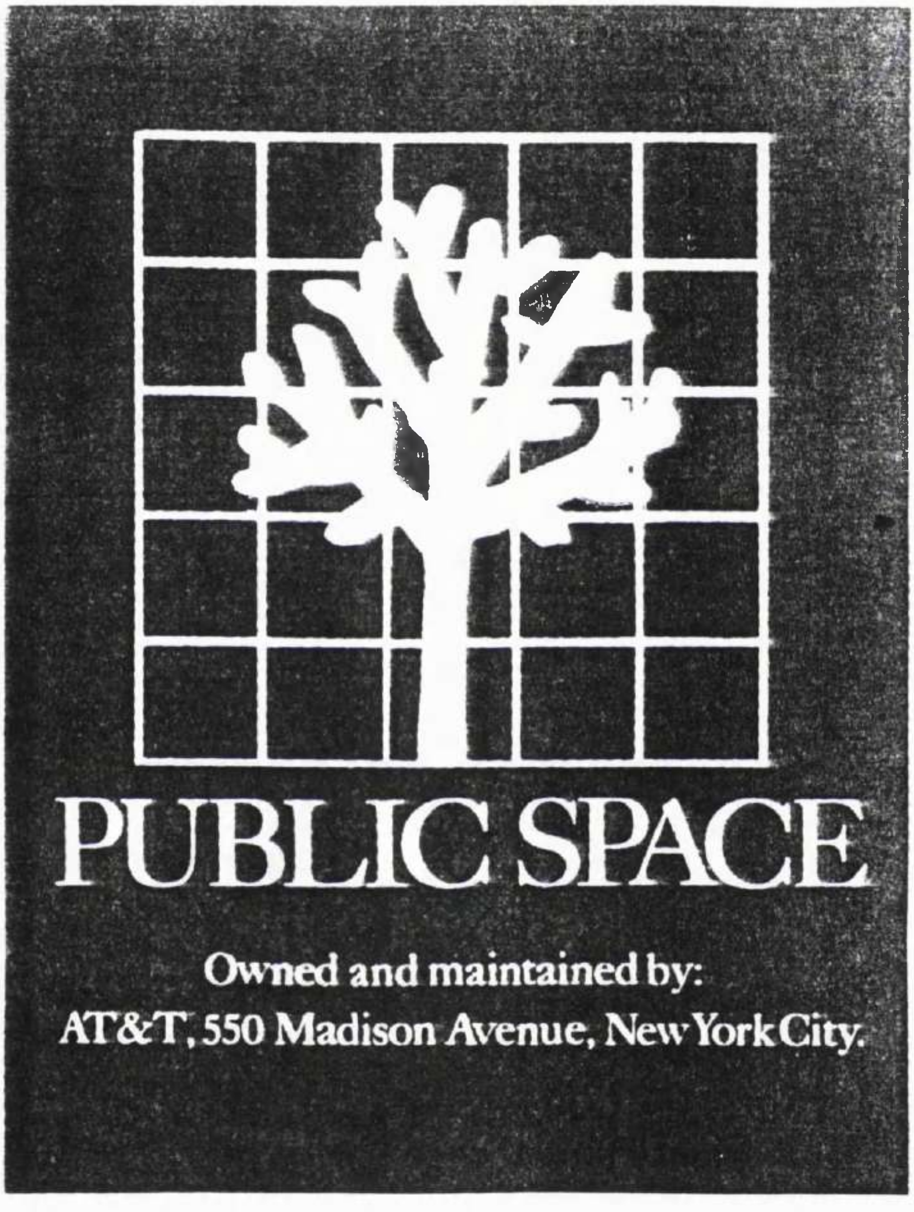

Fig. 5-7. Plague indicating "public space" in corporate premises, AT & T Building, New York ("Public Space: owned and maintained by AT & T, 550 Madison Avenue, New York City").

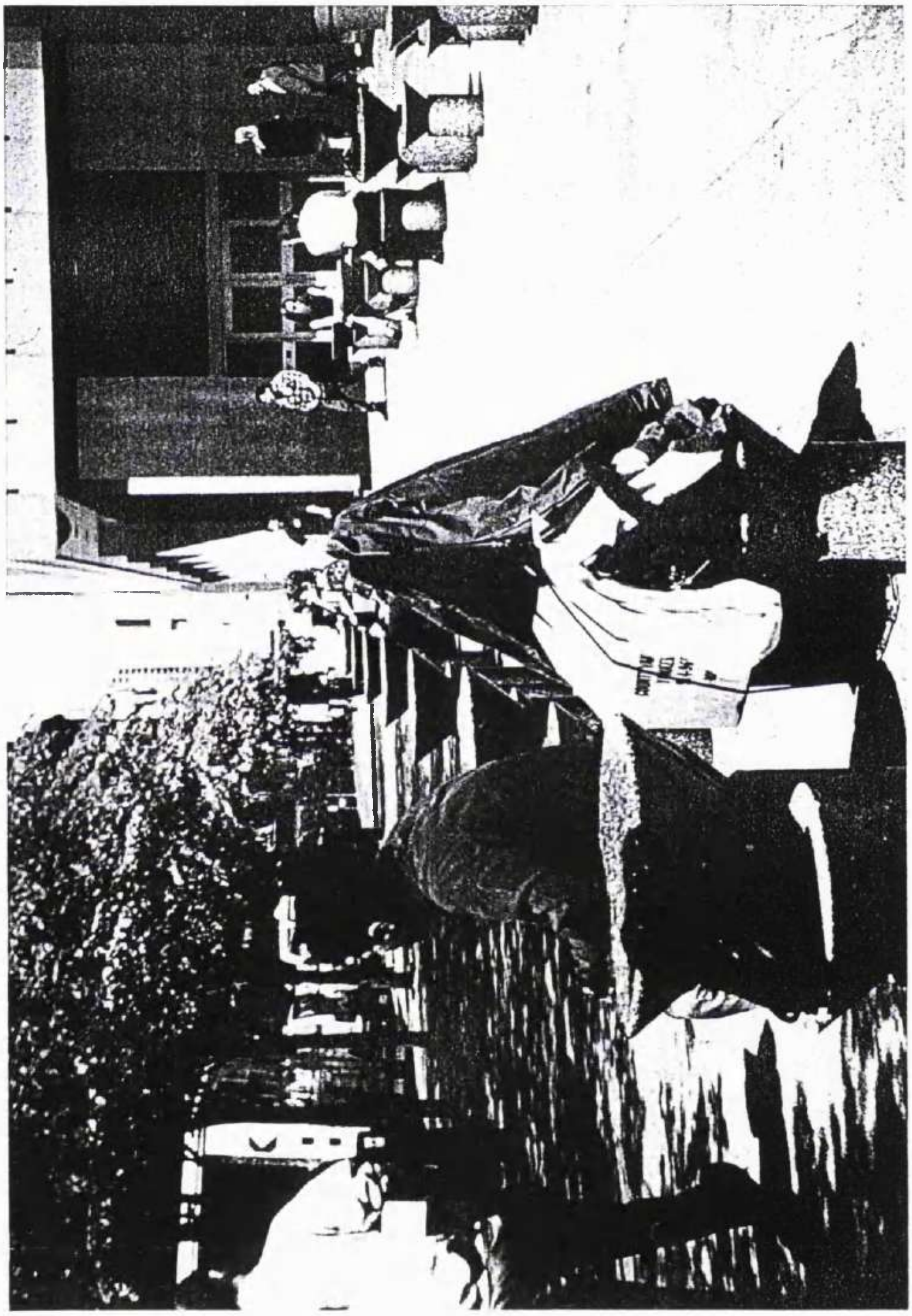

Fig. 5-8. Scott Burton, *Urban Plaza North*, 1985-86, Equitable, New York.

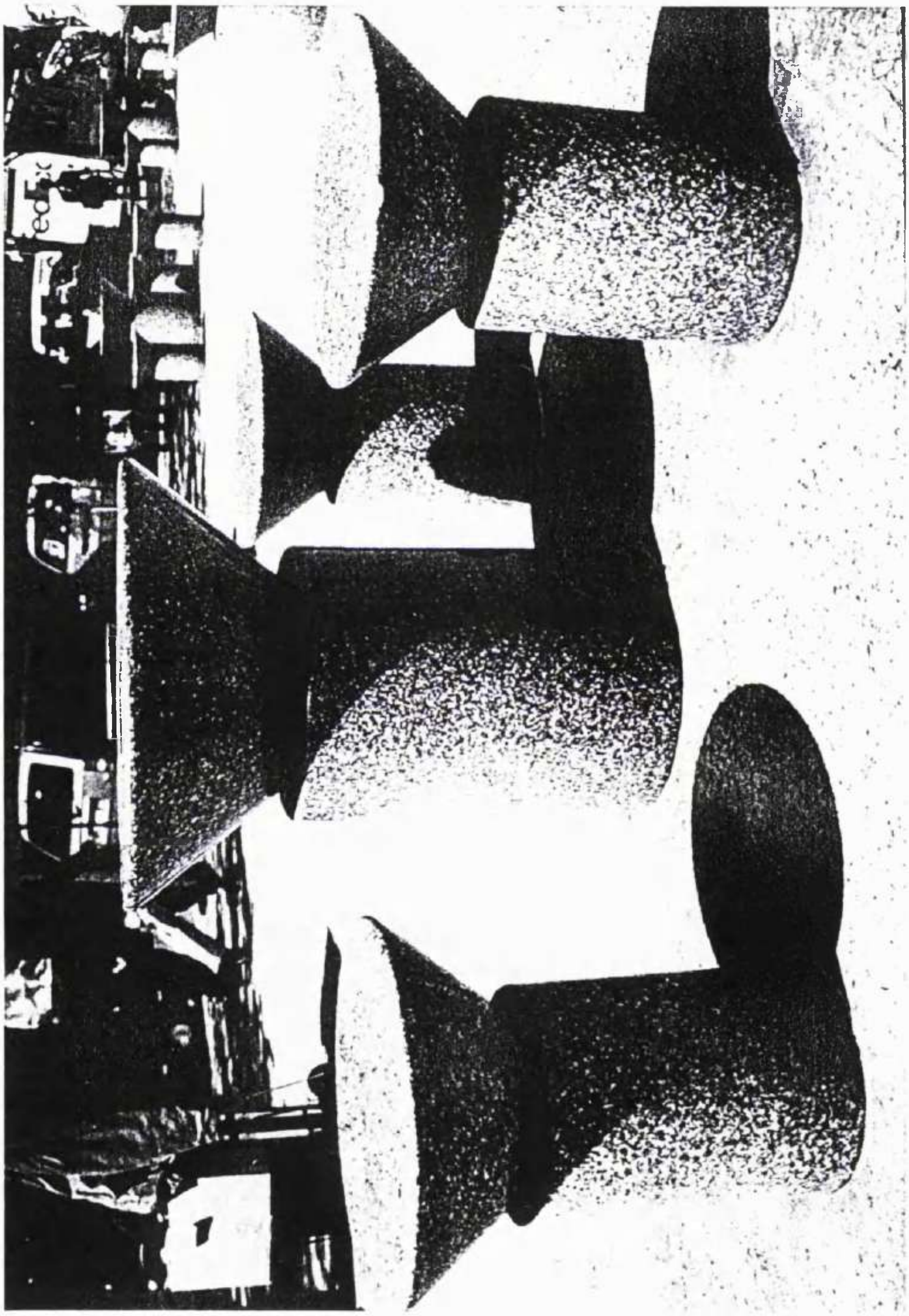

Fig. 5-9. Scott Burton, *Urban Plaza North* (detail).

Fig. 5-10. Roy Lichtenstein, *Mural with Blue Brushstroke*, 68 x 32 feet, Equitable, New York.

Fig. 5-11. Terry Winters, *Untitled I,* 1988, oil on linen, 50" x 58", and *Untitled I,* 1988, oil on linen, 50" x 50", Terry Winters Room, executive floor, Equitable, New York.

Fig. 5-12. View of PaineWebber Art Gallery, New York.

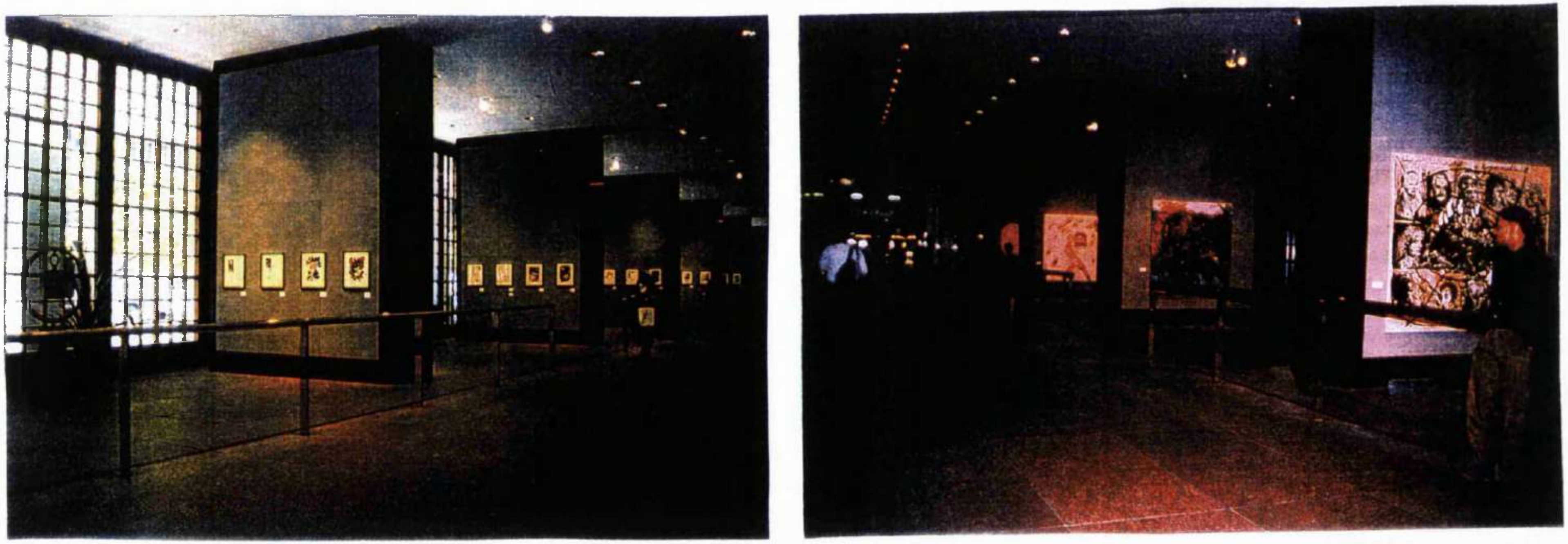

Fig. 5-13. View of PaineWebber Art Gallery, New York (general view).

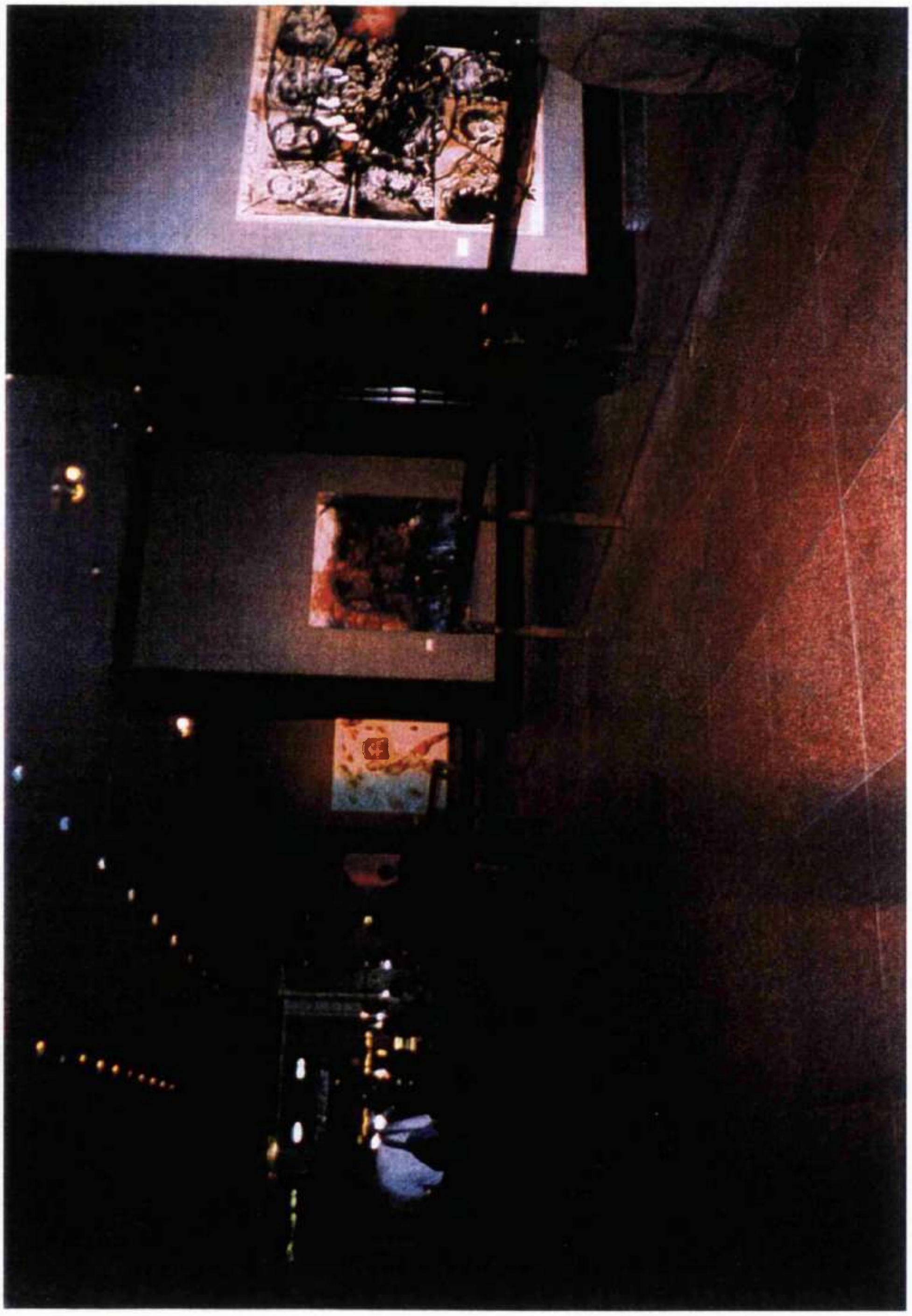

Fig. 5-14. View of PaineWebber Art Gallery, New York (detail).

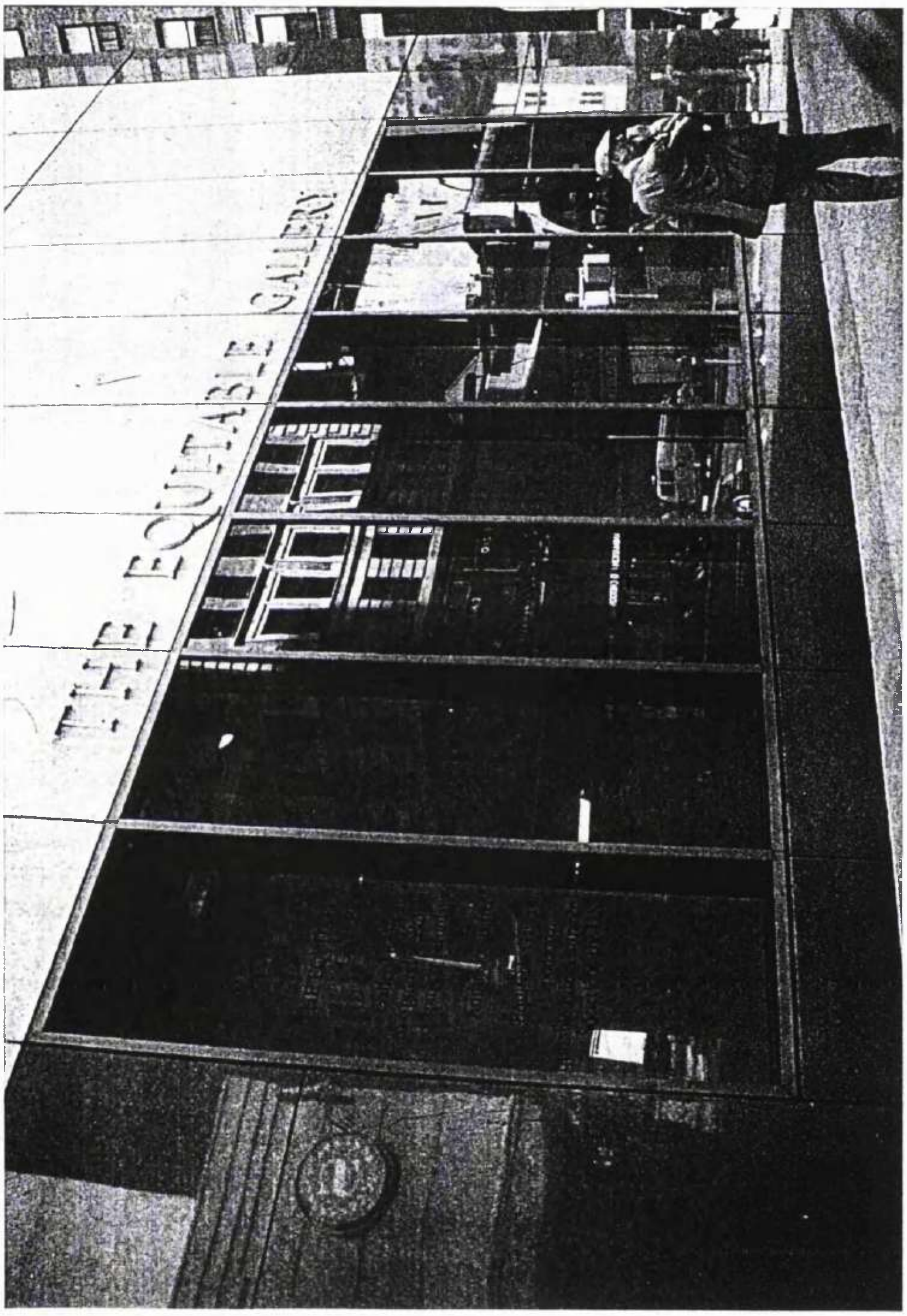

Fig. 5-15. Façade of Equitable Gallery, New York.

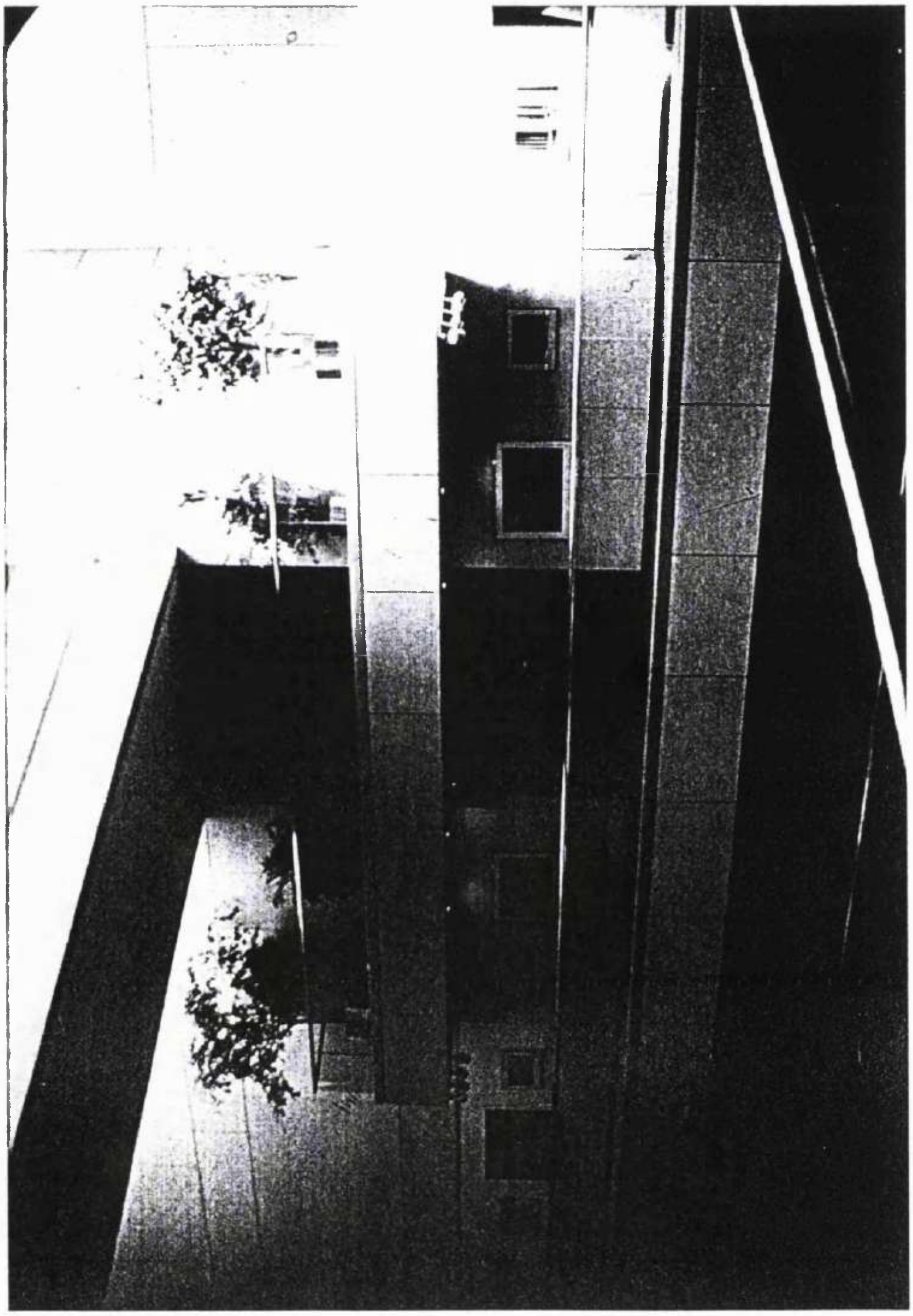

Fig. 5-16. View of photography exhibition *Washington: Project of a City* by Steve Gottlieb, held at law firm in Washington D.C.

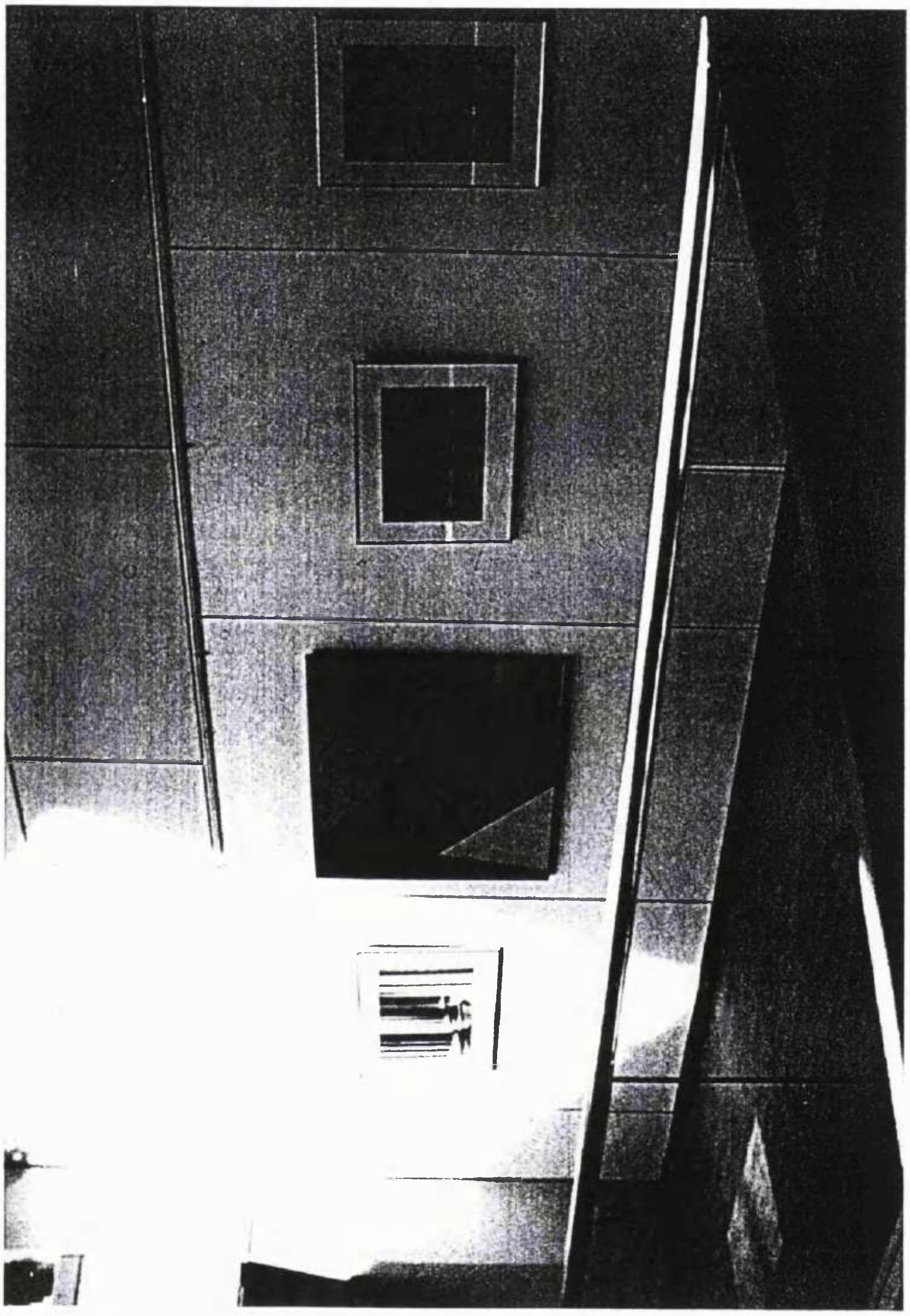

Fig. 5-17. View of photography exhibition *Washington: Project of a City* (detail).

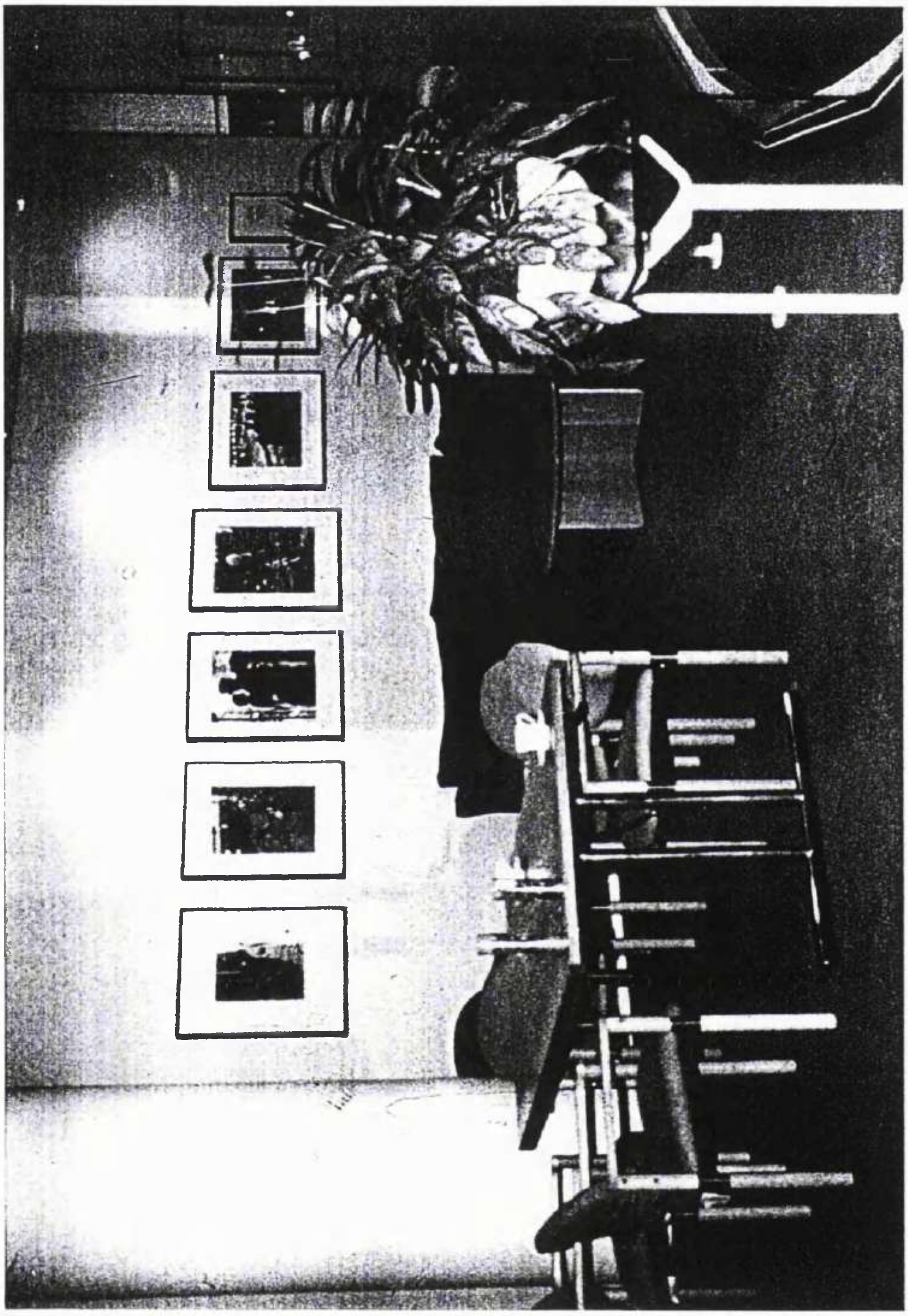

Fig. 5-18. View of photography exhibition held at London law firm.

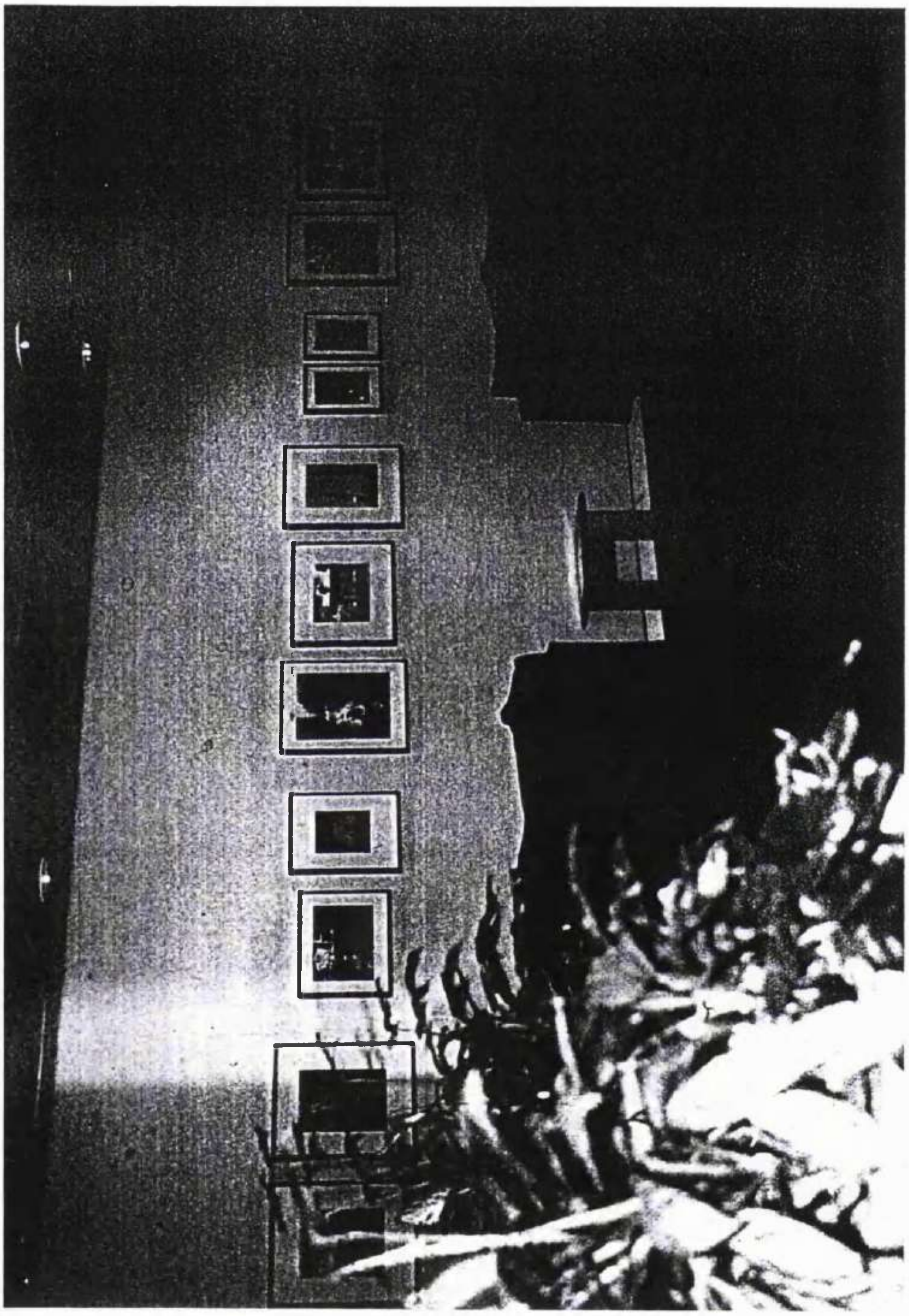

Fig. 5-19. View of photography exhibition held at London law firm.

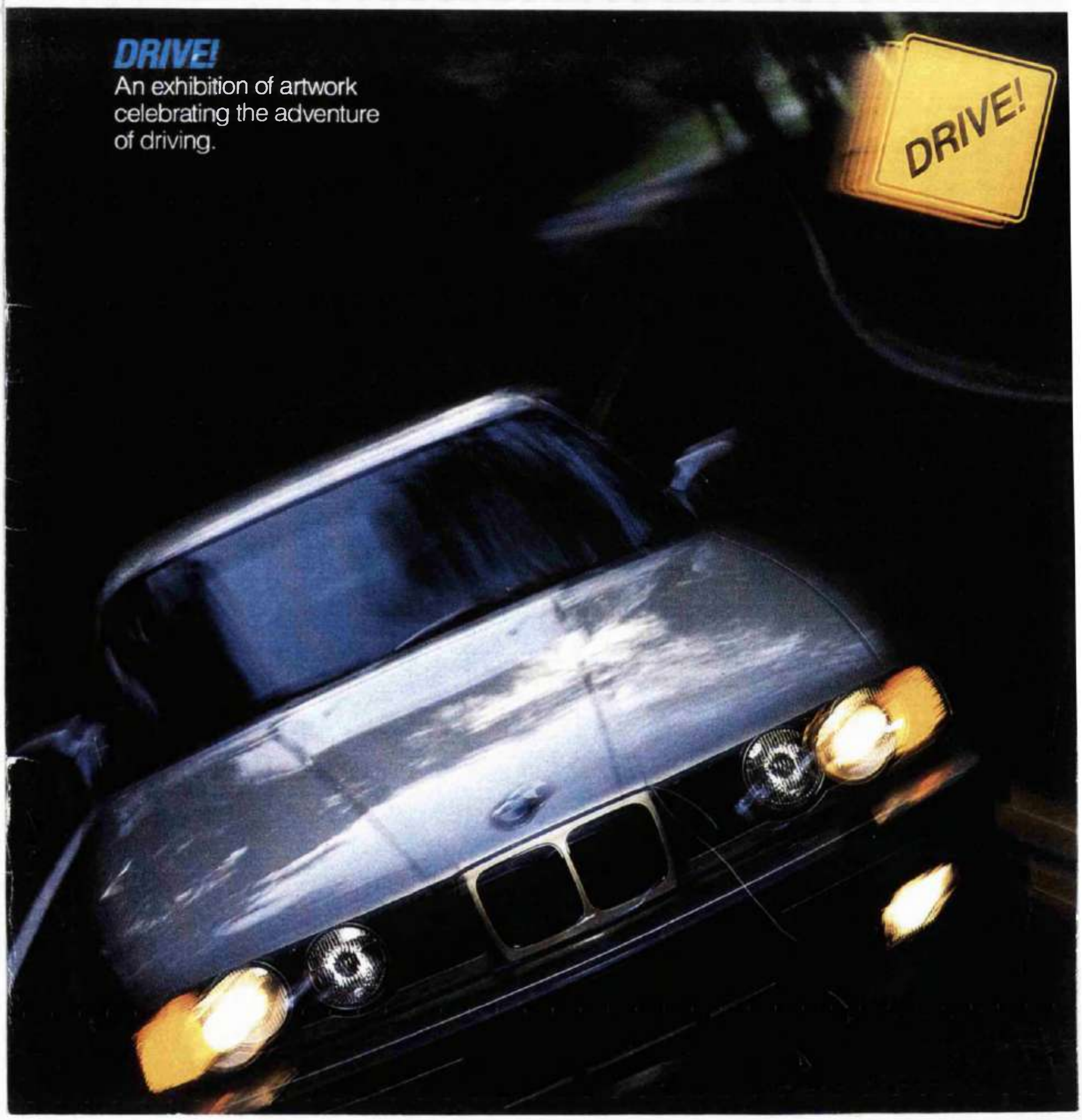

Fig. 5-20. Leaflet advertising the exhibition *Drive!* at the so-called BMW "Gallery" in New York.

Fig. 5-21. Richard Deacon's sculpture at Economist Building plaza, London.

Fig. 5-22. Richard Deacon's sculpture at Economist Building plaza, London.

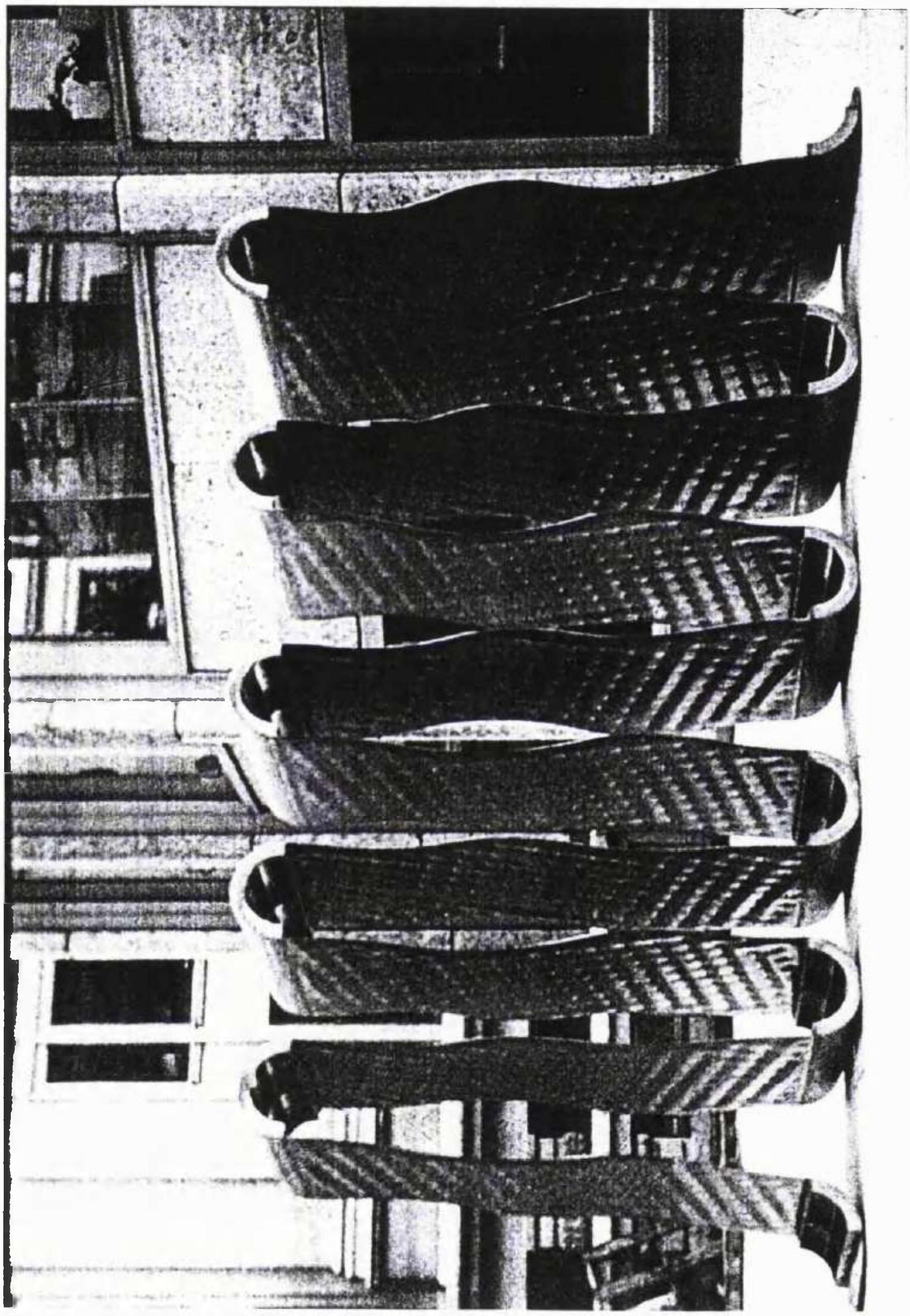

Fig. 5-23. Richard Deacon's sculpture at Economist Building plaza, London (detail).

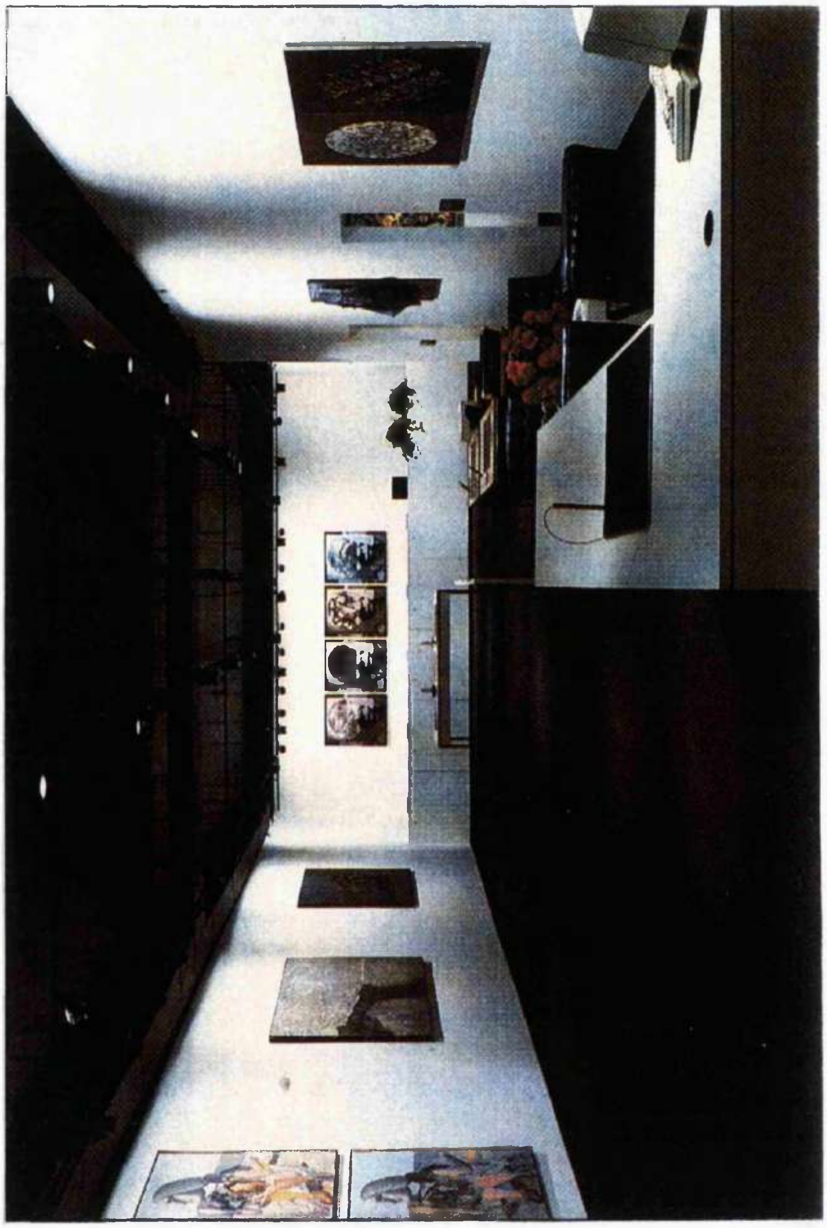

Fig. 5-24. View of exhibitions held at Chase Manhattan Soho branch, New York.

Fig. 6-1. Portraits of chairmen; ancien régime décor at London bank.

Fig. 6-2. Old-style décor and art collecting at London bank.

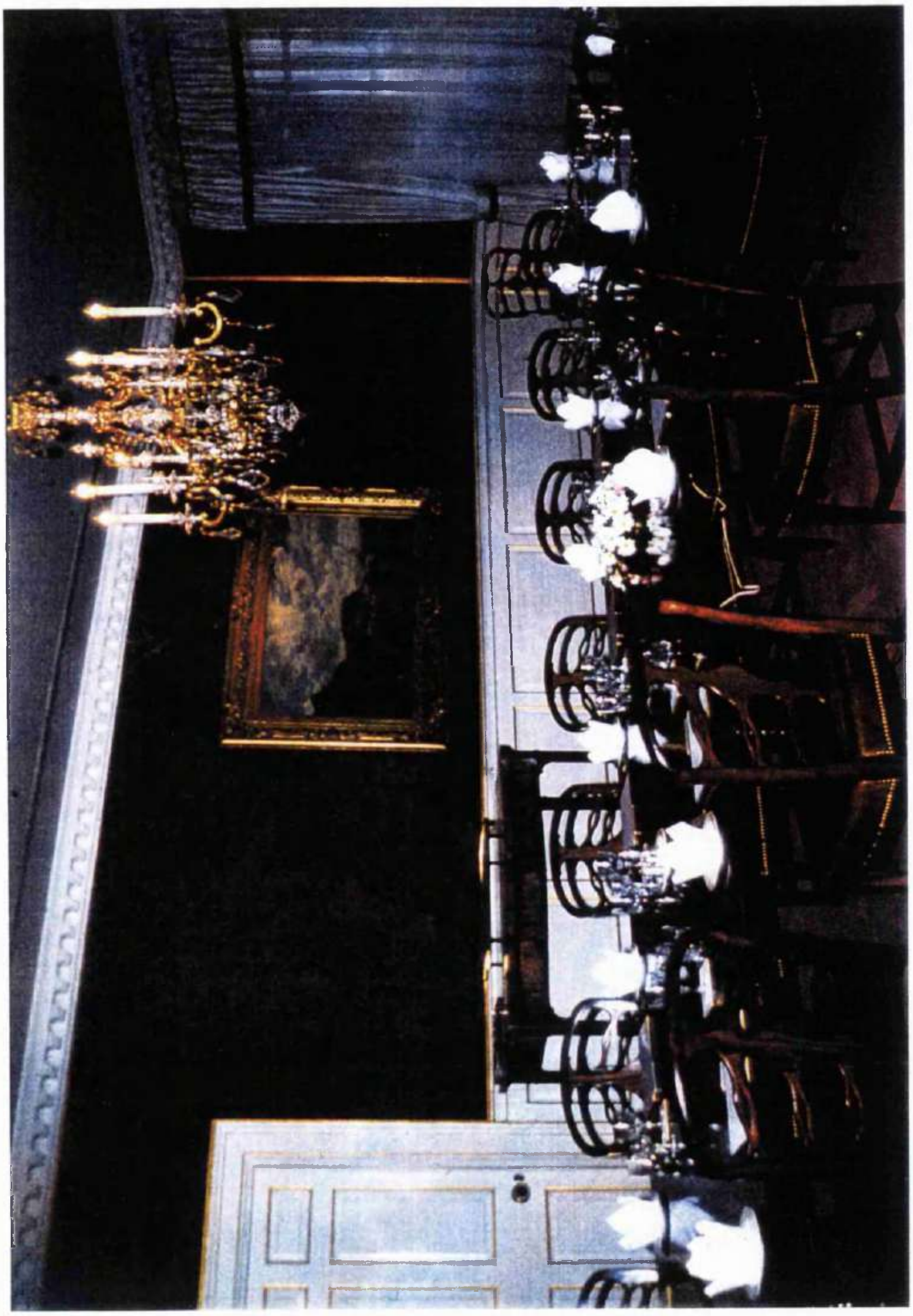

Fig. 6-3. View of Thames in boardroom of London bank (featuring J. E. Scougall, *View of River Thames*, 26.5" x 40").

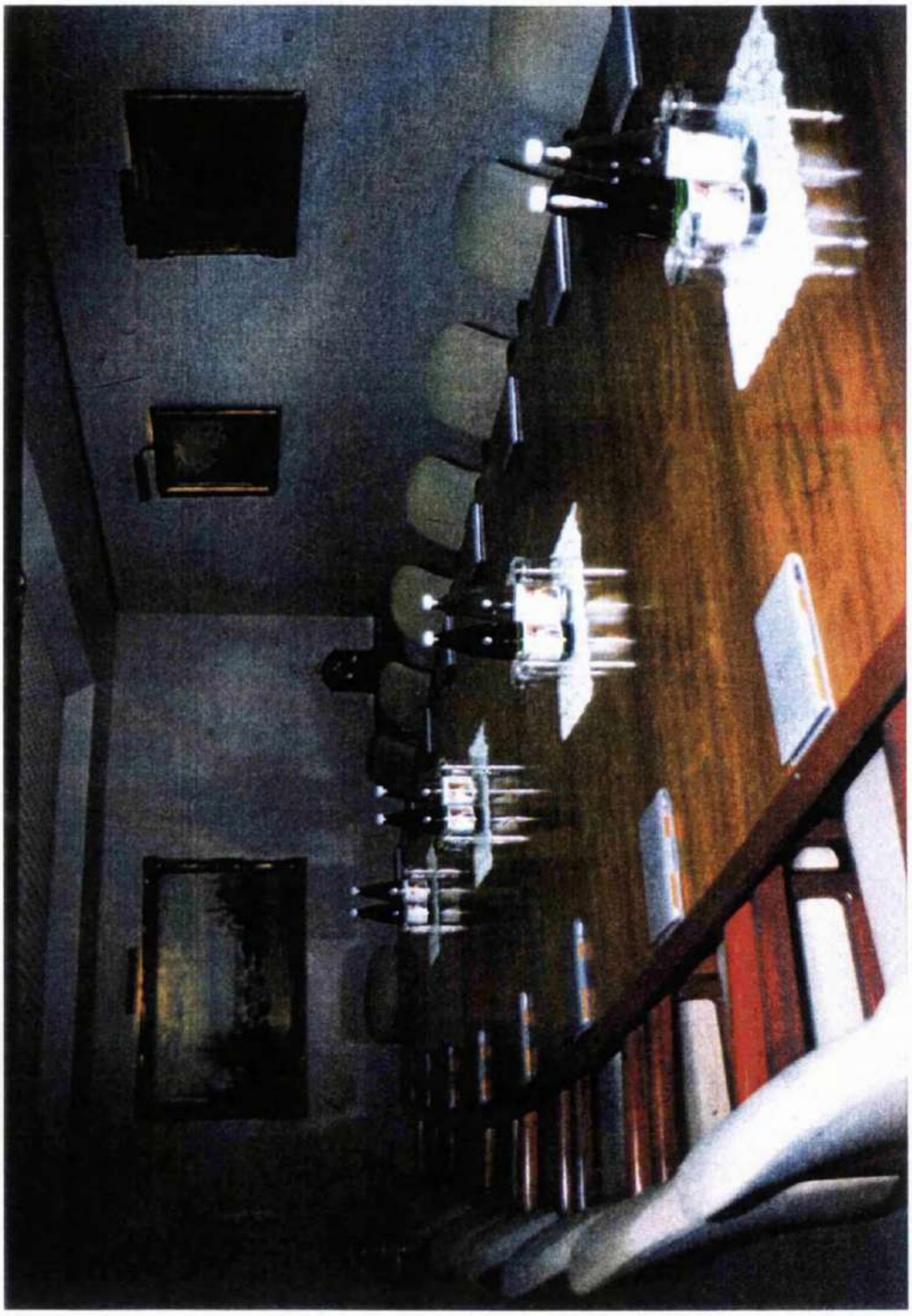

Fig. 6-4. Landscape in board dining room of London bank.

Fig. 6-5. General view of building and art display, international bank in London.

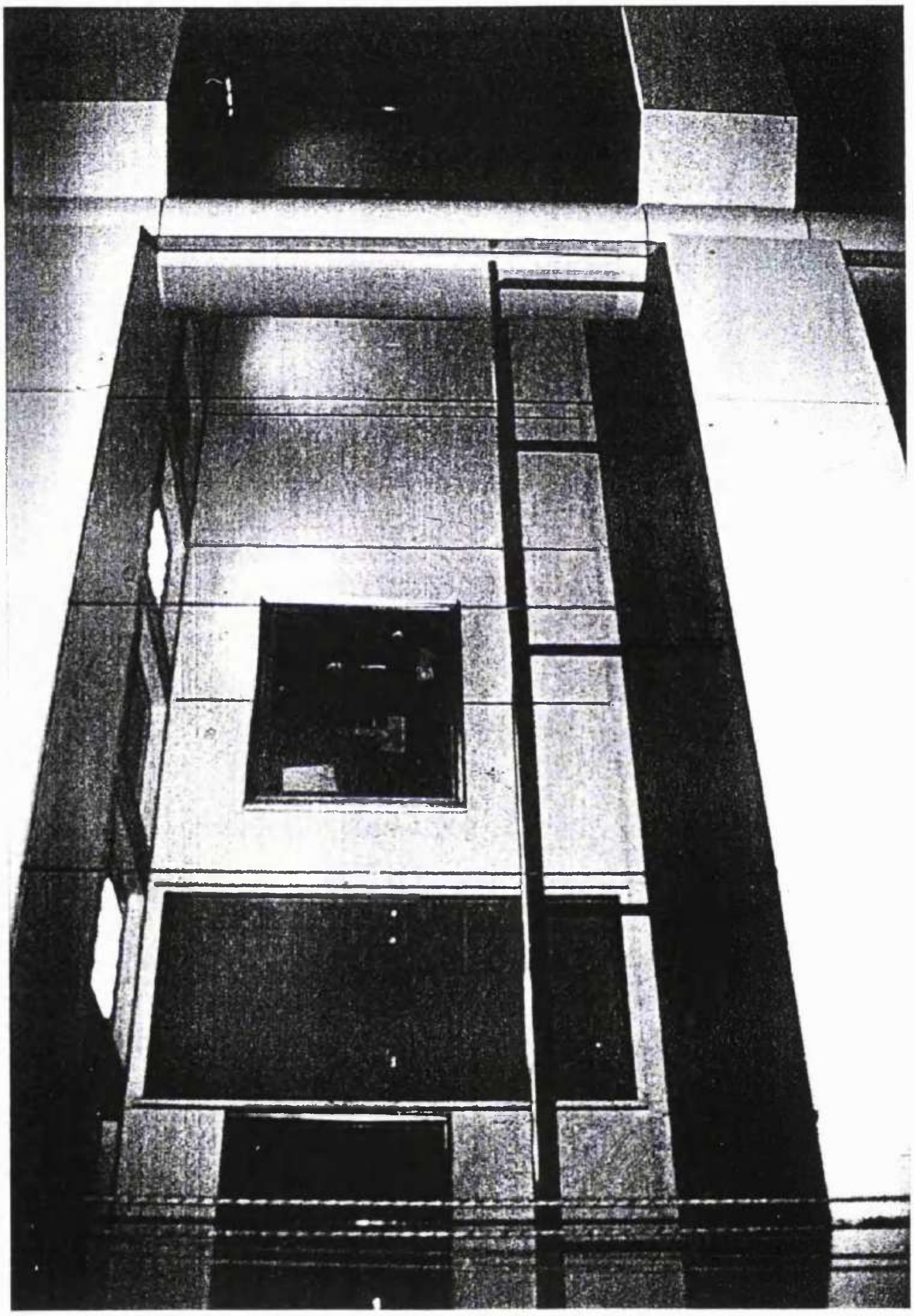

Fig. 6-6. Bank building and art display, London (detail).

Fig. 6-7. View of a trading floor of financial institution with commissioned work (Annabel Grey, *Hanging Panels on a Railway Theme for the Dealing Room*, ink on raw silk, acoustic screen), London.

Fig. 6-8. Annabel Grey, *Hanging Panels on a Railway Theme for the Dealing Room* (detail).

Fig. 6-9. Jenny Holzer, *Having two or three people...*, 1981-89, enamel on sheet metal, 21" x 23", in international bank, London.

Fig. 6-10. Reception lobby of London investment institution (with Len Tabner, *Lindisfarne*, 104" x 59").

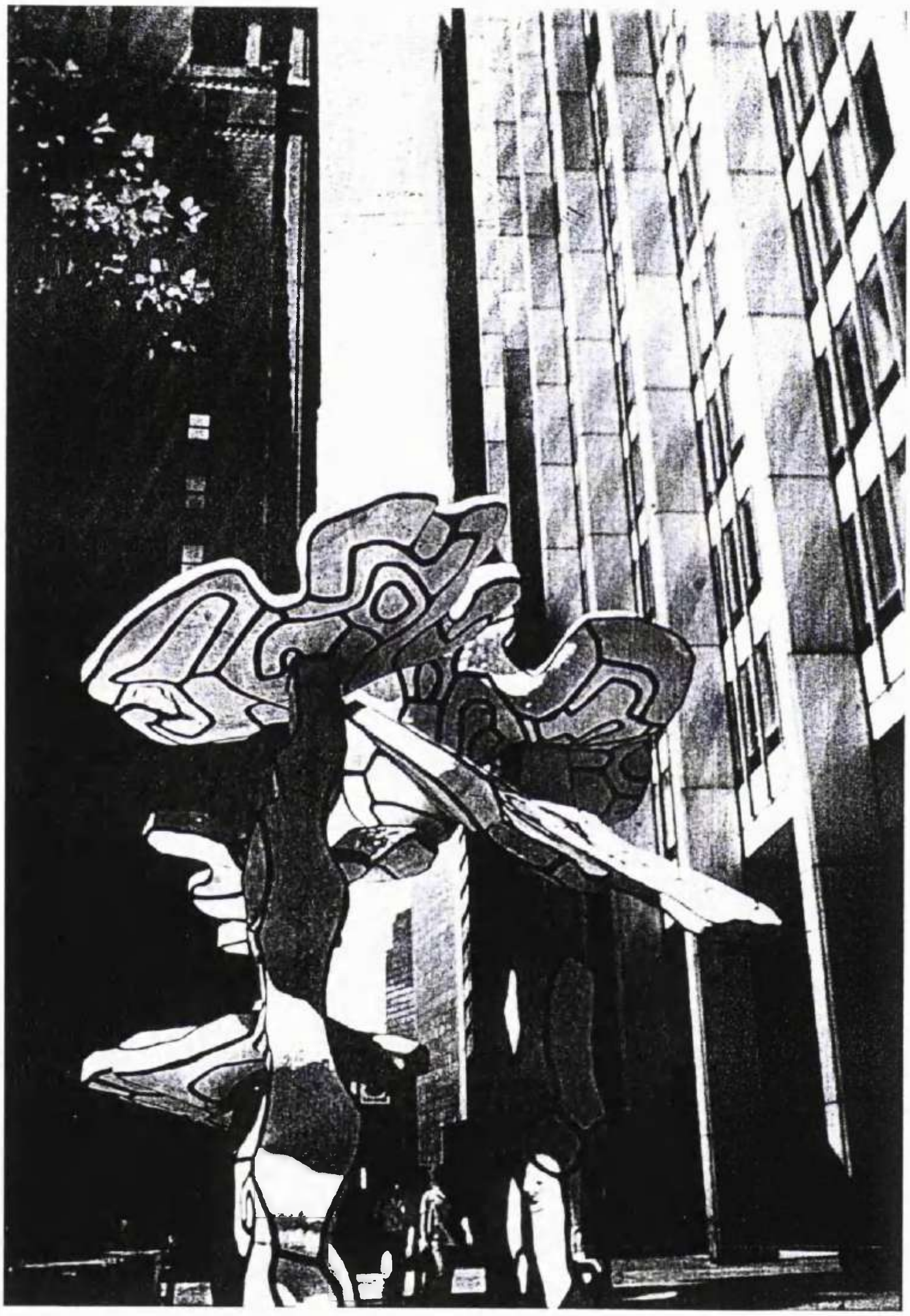

Fig. 6-11. Jean Dubuffet, *Group of Four Tree*, 1972, fibreglass, aluminum and steel, 42" high, Chase Manhattan headquarters, Chase Manhattan plaza, New York.

Fig. 6-12. Jean Dubuffet, *Group of Four Tree* (detail).

Fig. 6-13. Commissioned mural at staff restaurant of London law firm (Timothy Rukavina, *The Wind's Dominion*, 1991).

Fig. 6-14. Timothy Rukavina, *The Wind's Dominion* (detail).

Fig. 6-15. View of conference room of London law firm (with Robert Rauschenberg, *Studies for Chinese Summer-hall*, 30" x 87⅞").

Fig. 6-16. Richard Artschwager, *Book*, 1987, formica and paint on wood, 5" x 20" x 12", edition of 40, at library of Washington D.C. law firm.

Fig. 6-17. Kate Ericson and Mel Ziegler, *Stones Have Been Known to Move,* 1986-88, sixteen marble squares, 12" x 12" x 1" each, in reception lobby of Washington D.C. law firm.

Fig. 6-18. Martin Puryear, *In Winter Burrows*, 1985, tinted pine, 74" x 127" x 1 ¾", in reception lobby of Washington D.C. law firm.

Fig. 6-19. Gene Davis, *Star of India*, 1980, acrylic on canvas, 8"x 15", in reception lobby of Washington D.C. law firm.

Fig. 6-20. Daniel Buren, *Framed/Explored/Defaced*, 1979, colour aquatint in twenty-five fragments, 8" x 8" each, edition of 46, on stairway of Washington D.C. law firm

Fig. 6-21. Gerhard Richter, *Untitled*, 1985, triptych, oil on canvas, entrance hall to BOC, Surrey, England (general view).

Fig. 6-22. Gerhard Richter, *Untitled*, 1985, triptych, oil on canvas, entrance hall to BOC, Surrey, England (detail).

Fig. 6-23. Sol Lewitt, *Wall Drawing #451*, 1985, colour ink wash, two walls each 92" x 360", double two-part drawings on two walls of room, commissioned mural, BOC, Surrey, England.

Fig. 6-24. William Tillyer, *English Landscape*, hospitality room of London manufacturing firm.

Fig. 6-25. Ron Nixon, *Atrium Carpet* (204 square feet), ICI, London.

Fig. 6-26. View of stairway at multinational manufacturing company in London with Julian Opie, *Morning Mail*, 1985, oil paint on steel, 25 x 64 x 30 cm on the right, and Tricia Gillman, *Family I*, 1990, oil on canvas, 122 x 122 cm).

Fig. 6-27. Julian Opie, *Morning Mail* (detail).

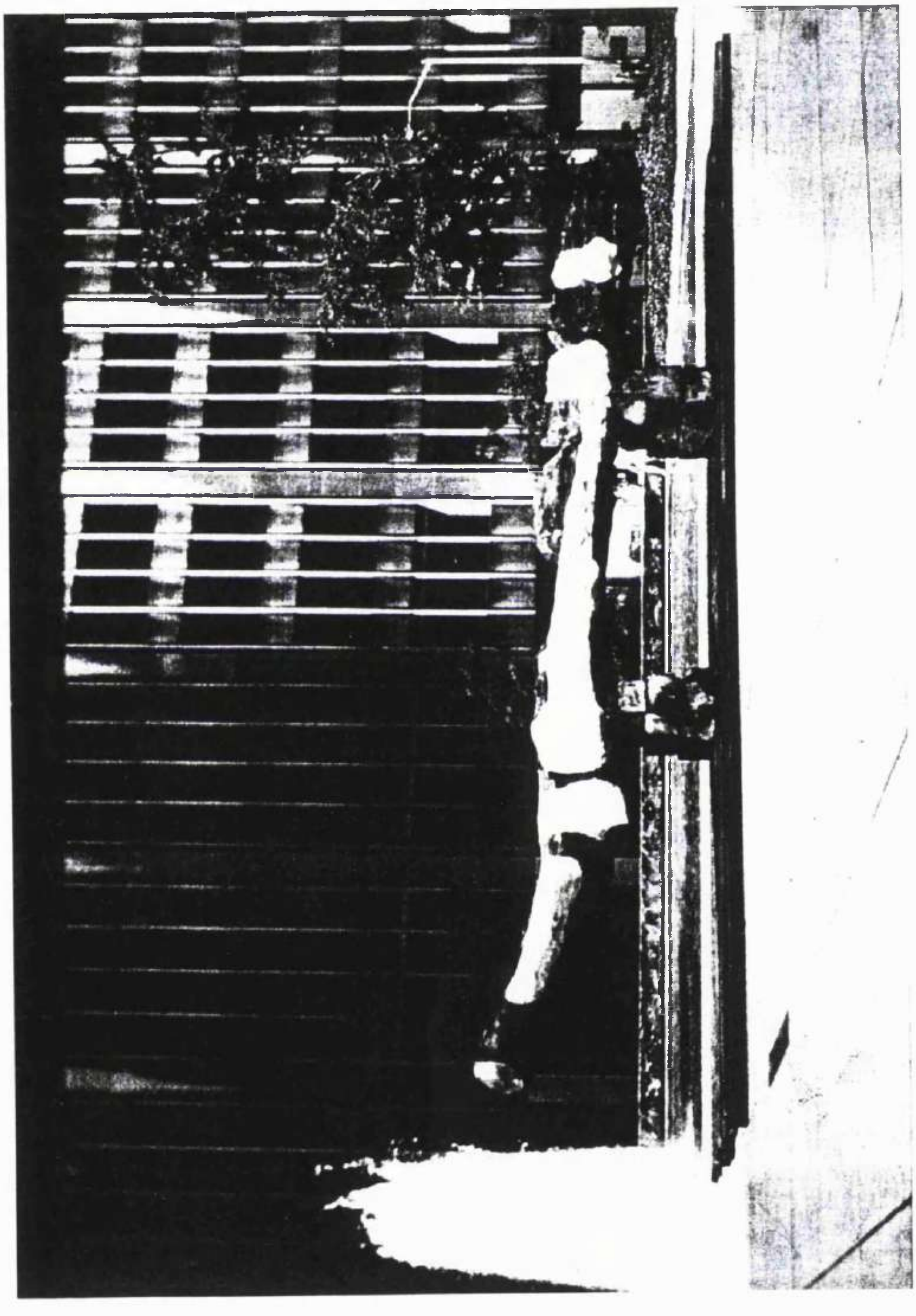

Fig. 6-28. Sculpture display at plaza of Joseph E. Seagram Building, New York.

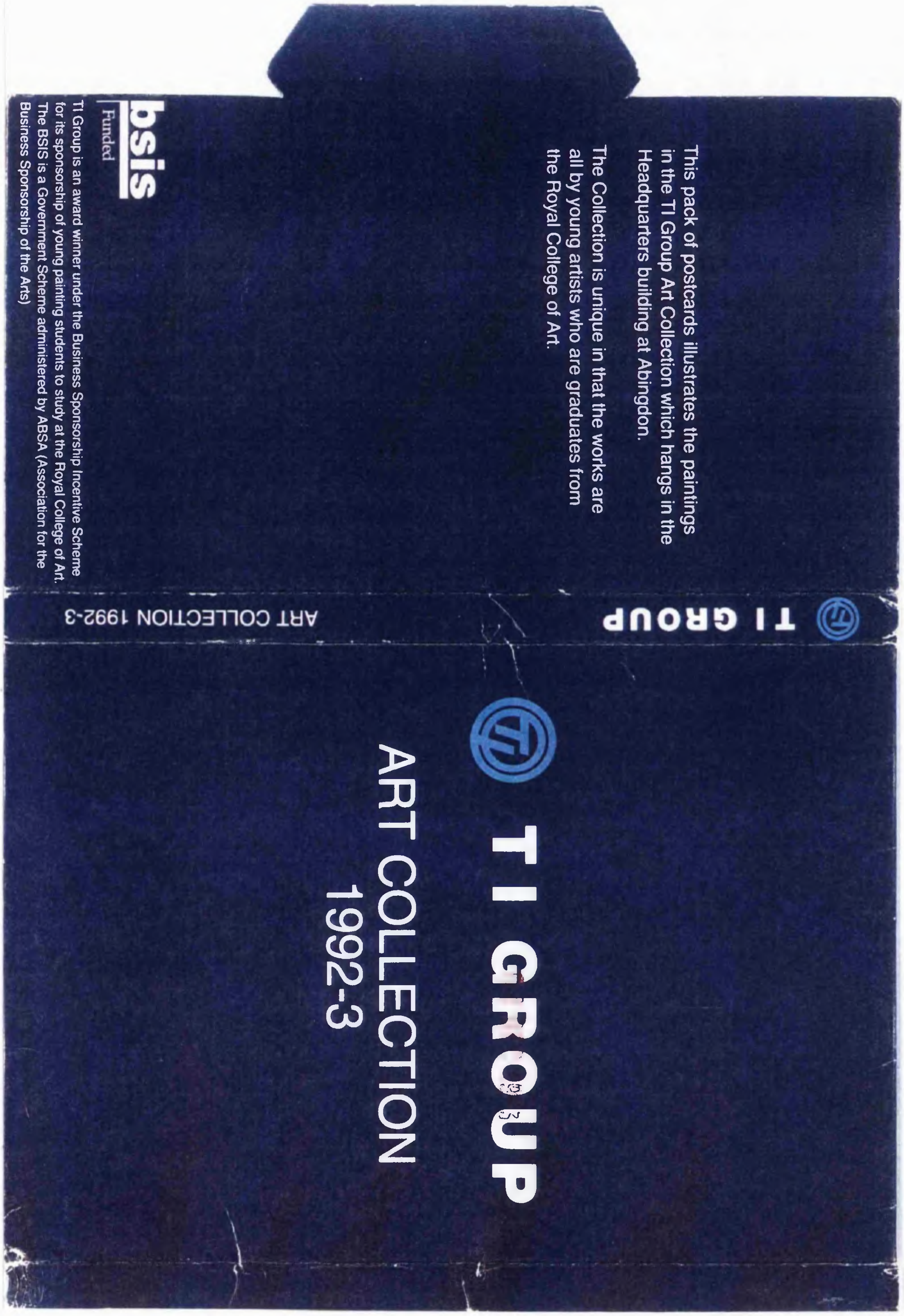

Fig. 6-29. TI Group art collection postcard pack featuring the Group as BSIS scheme award winner.

Fig. 6-30. Lincoln Perry, *All in the Golden Afternoon*, 1989, oil on canvas, Oliver Carr Building, Washington D.C.

Fig. 6-31. Lincoln Perry, *All in the Golden Afternoon* (detail).

Fig. 6-32. Bruce McLean, Ludgate Development, London.

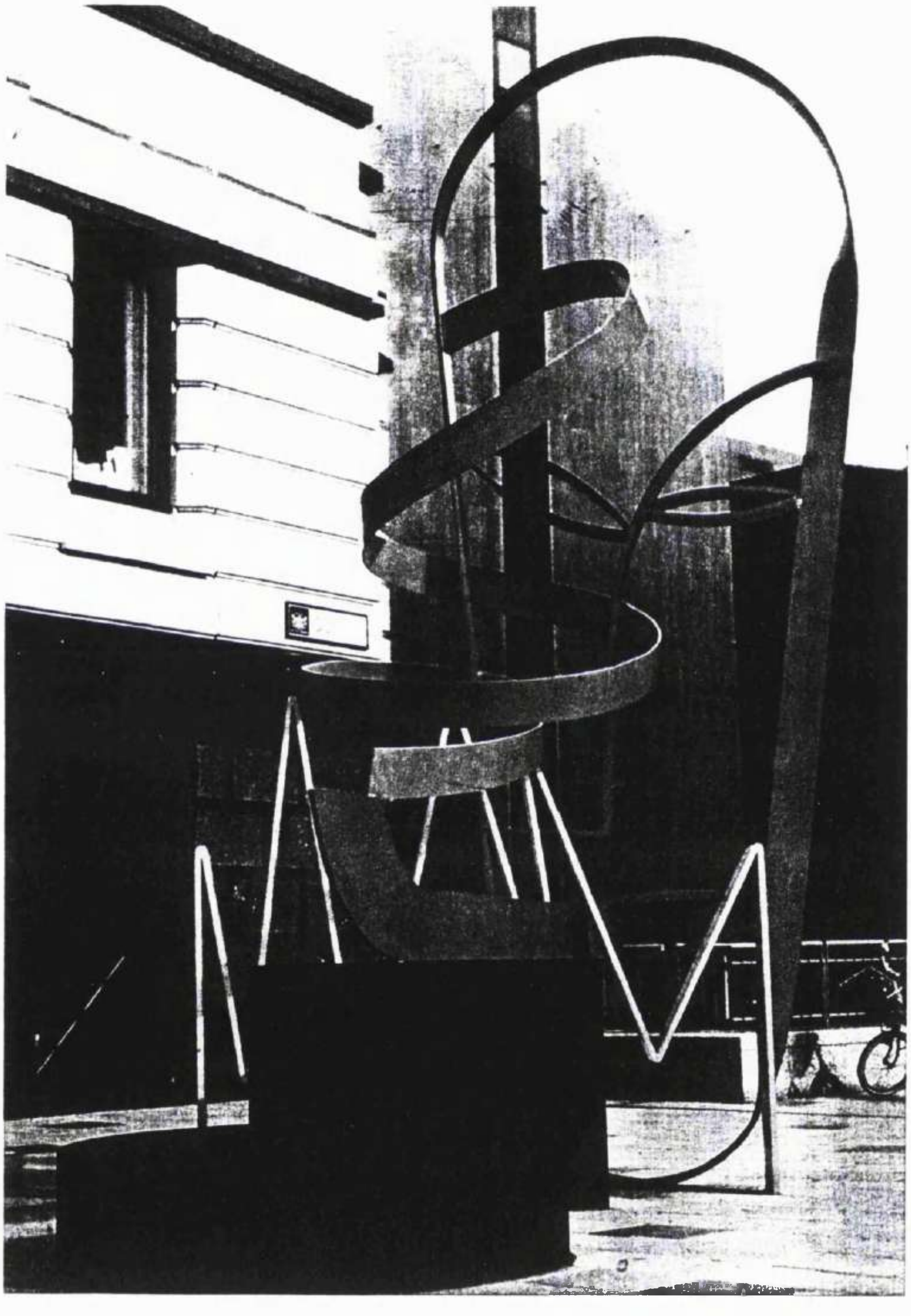

Fig. 6-33. Bruce McLean (detail).

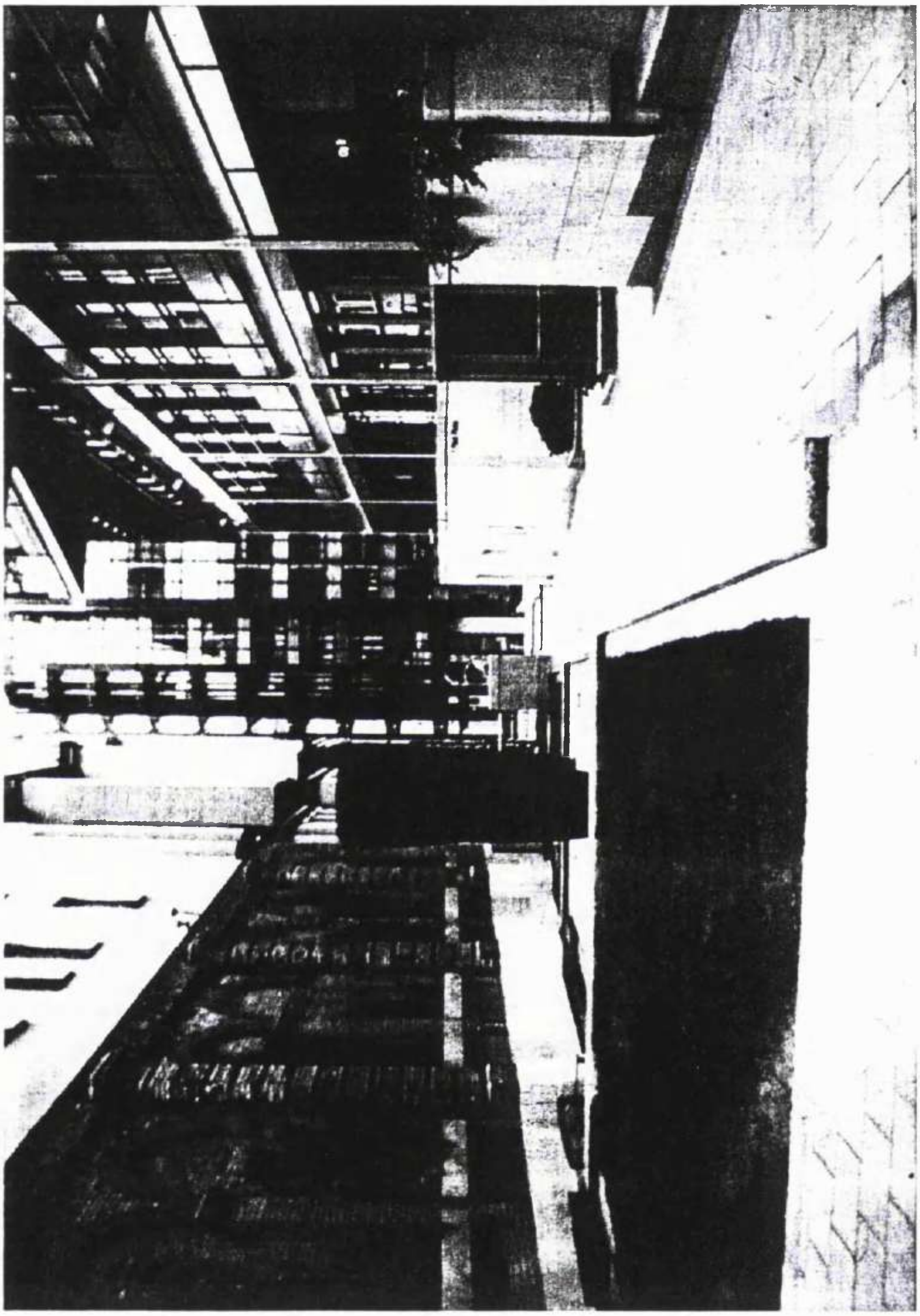

Fig. 6-34. Stephen Cox, Ludgate Development, London.

Fig. 6-35. Stephen Cox (detail).

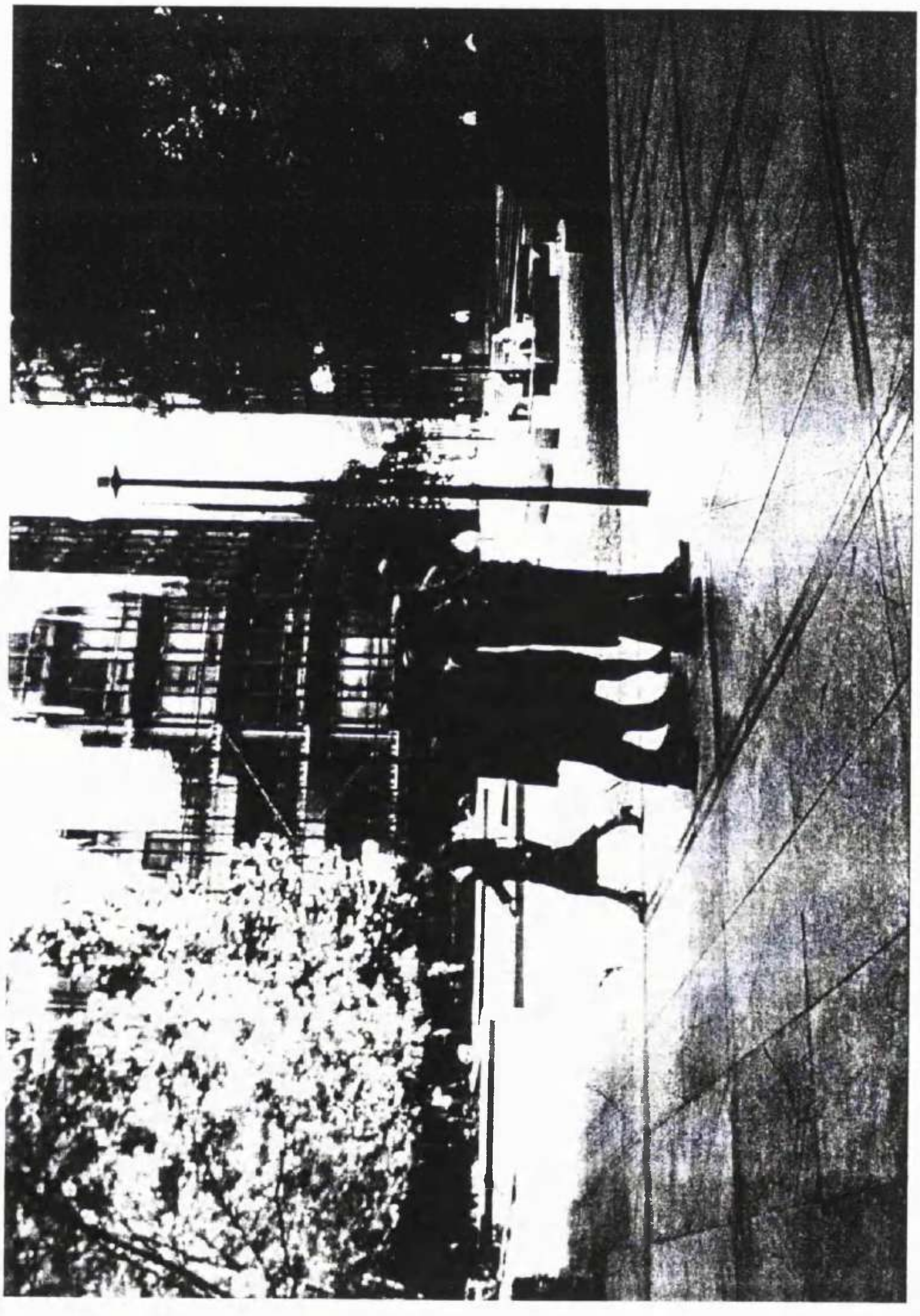

Fig. 6-36. George Segal, *Rush Hours*, lifesize, bronze, Finsbury Avenue Square, Broadgate Development, London.

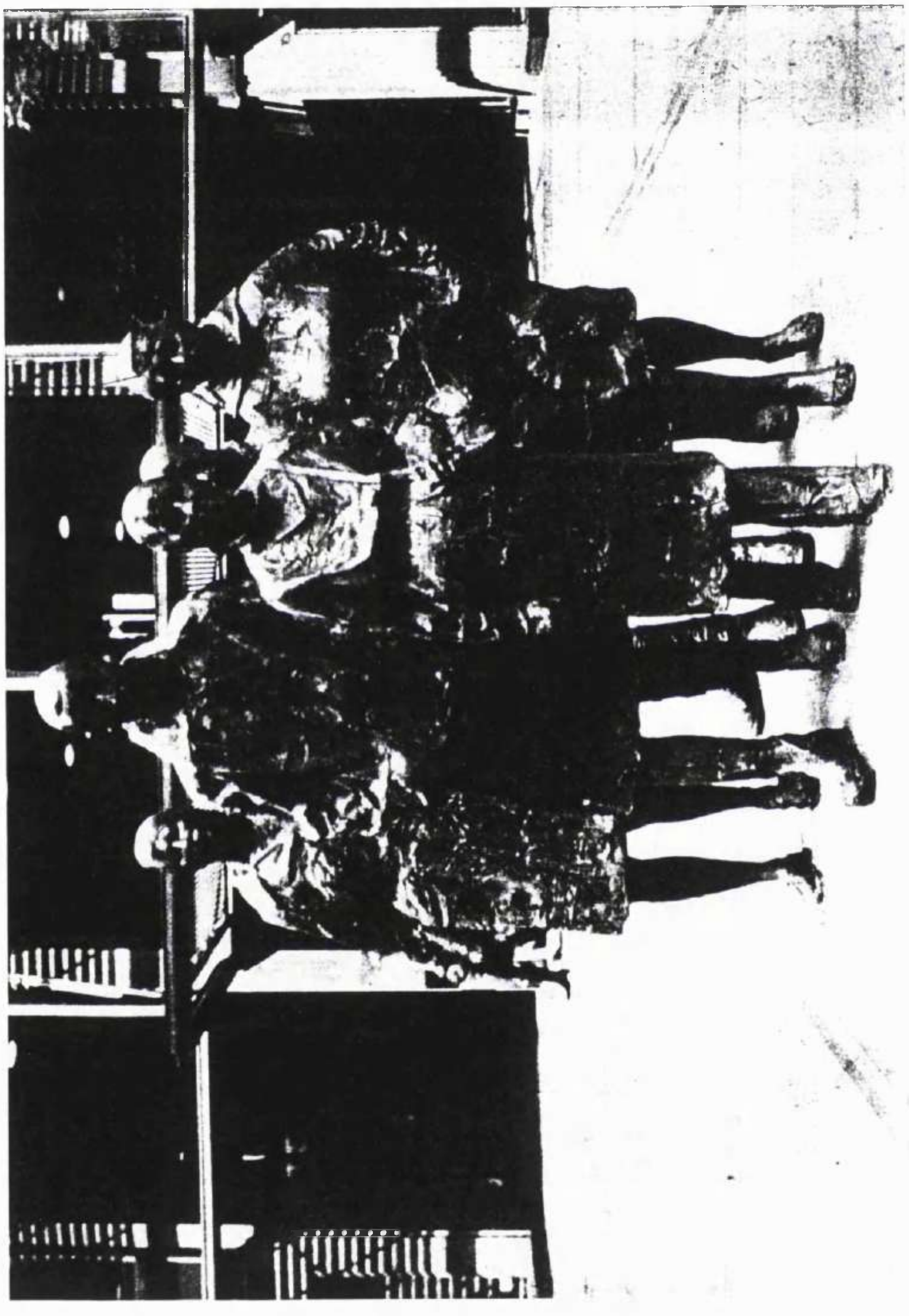

Fig. 6-37. George Segal, *Rush Hours* (detail).

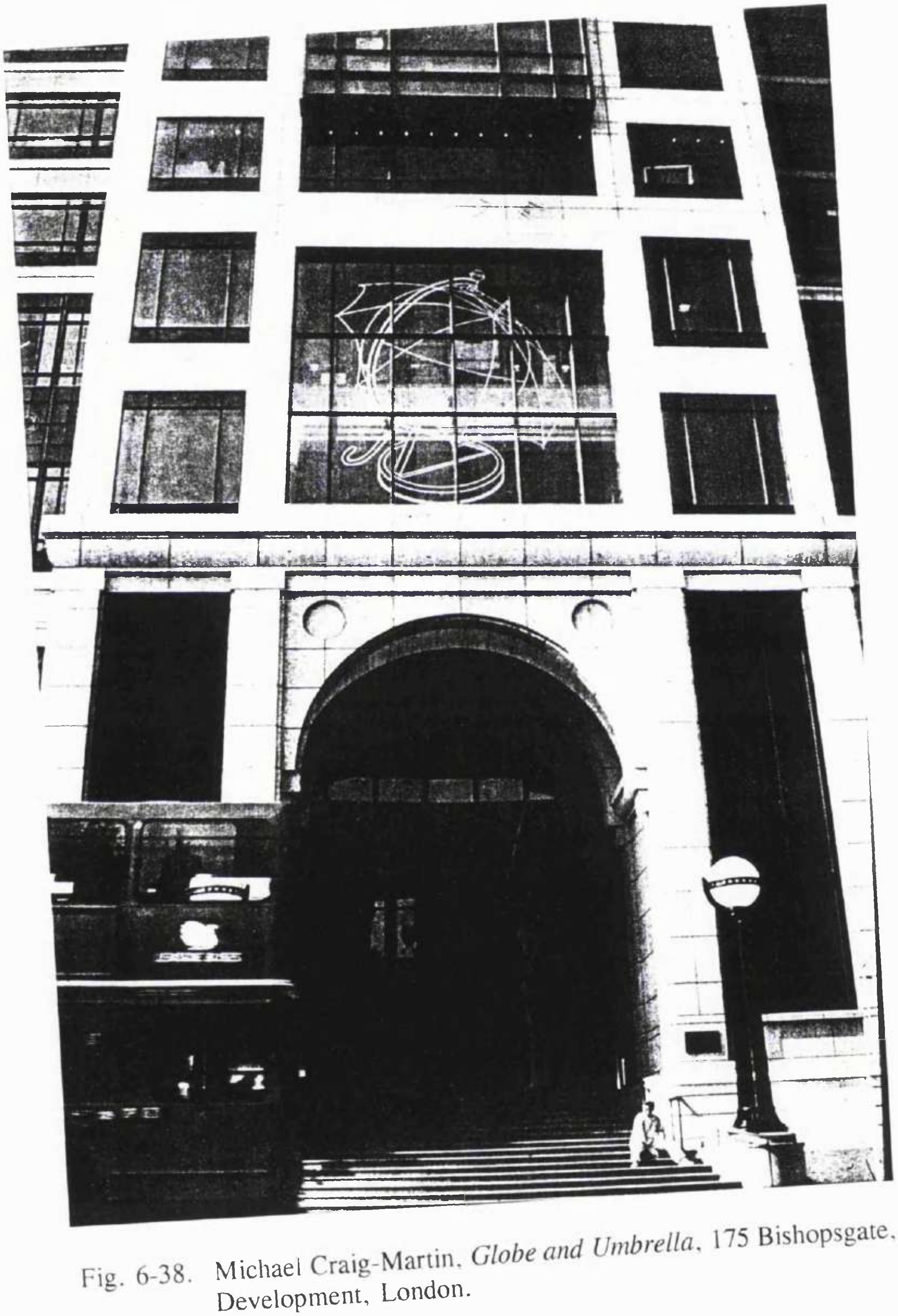

Fig. 6-38. Michael Craig-Martin, *Globe and Umbrella*, 175 Bishopsgate, Broadgate Development, London.

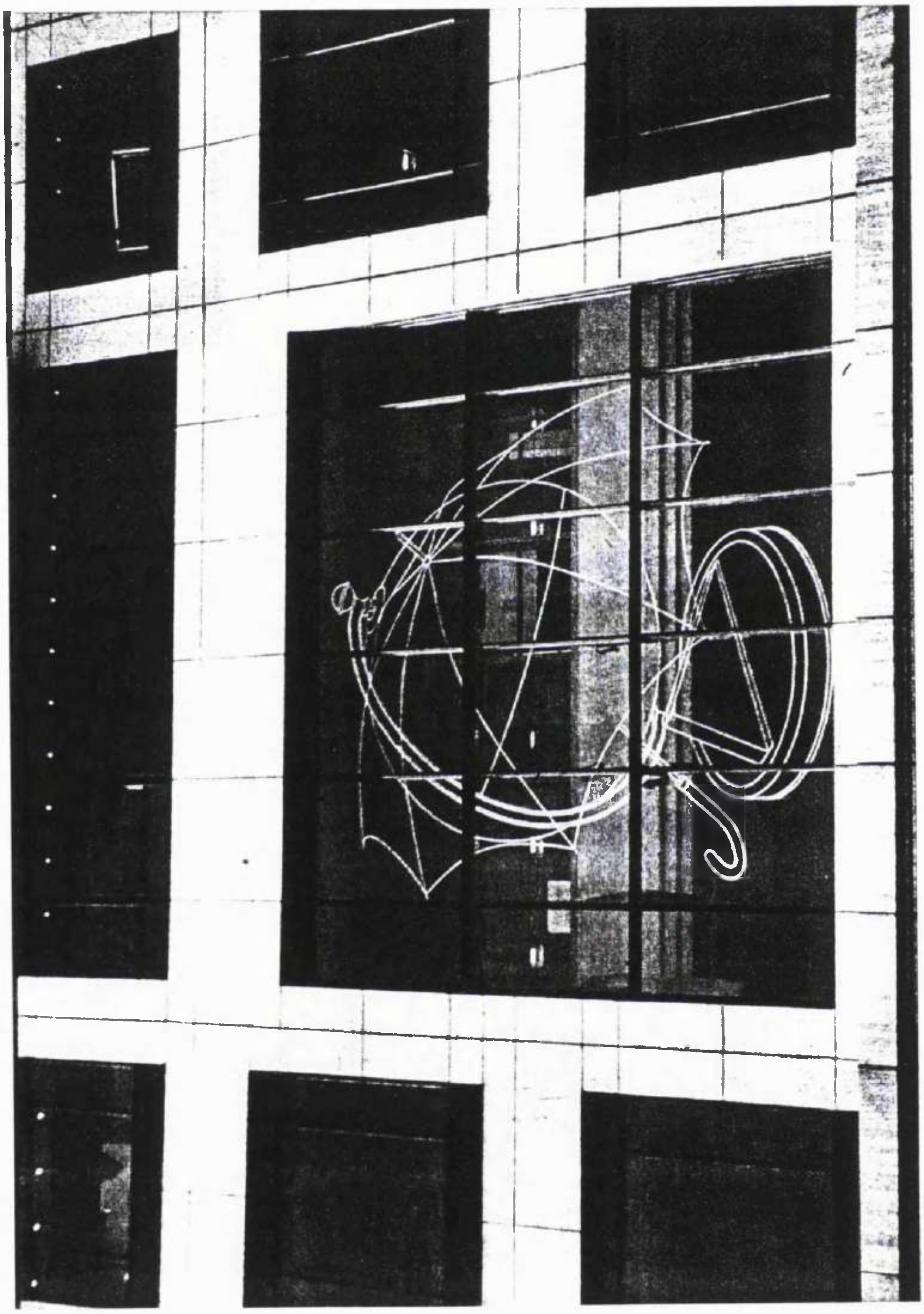

Fig. 6-39. Michael Craig-Martin, *Globe and Umbrella* (detail).

Fig. 6-40. Xavier Corbero, *The Broad Family*, Exchange Square, Broadgate Development, London.

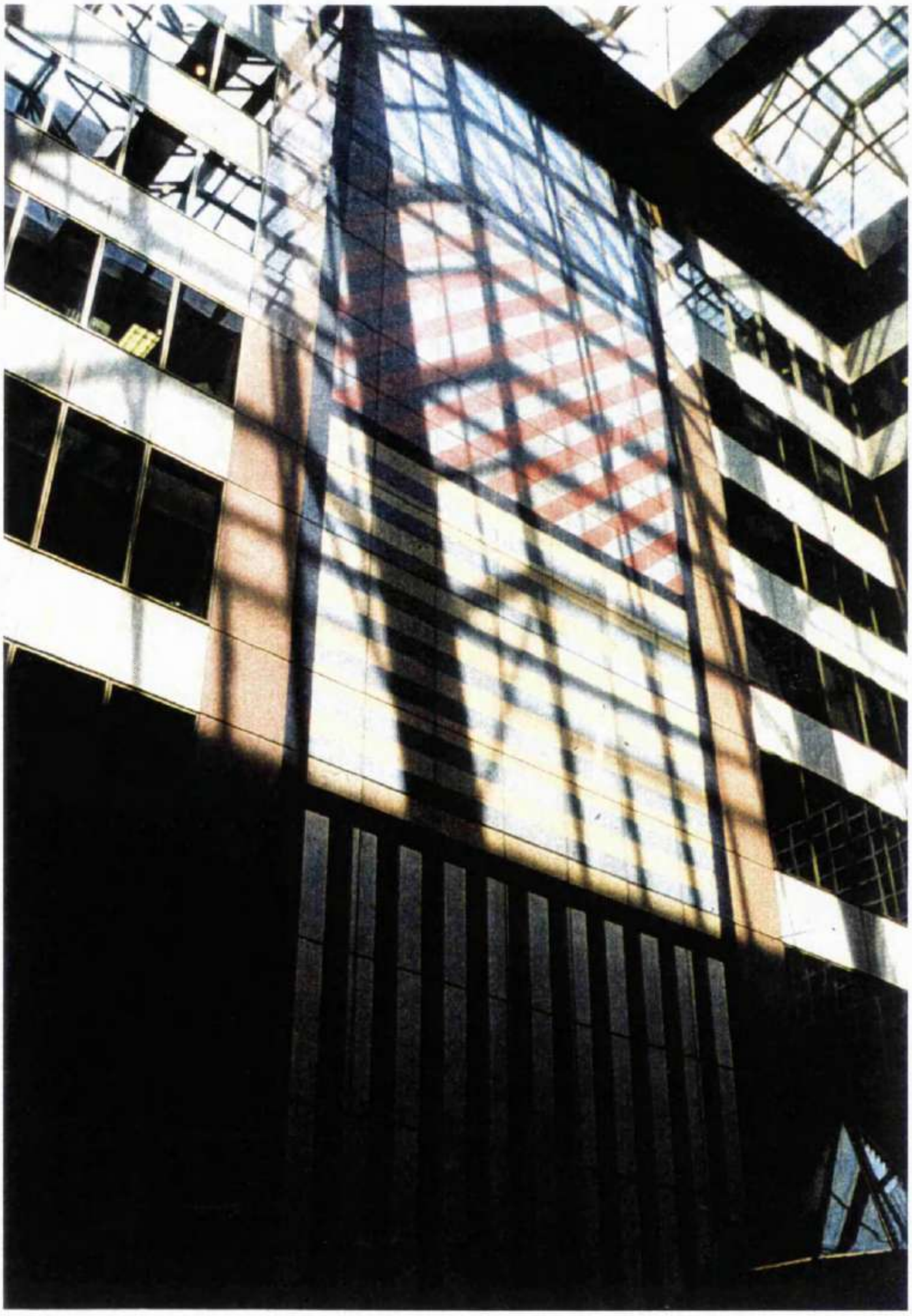

Fig. 6-41. Sol LeWitt, *Wall Drawing: Bands of Lines in Four Colors and Four Directions, Separated by Gray Bands*, 1984-85, acrylic on limestone, six panels, Equitable, New York (detail).

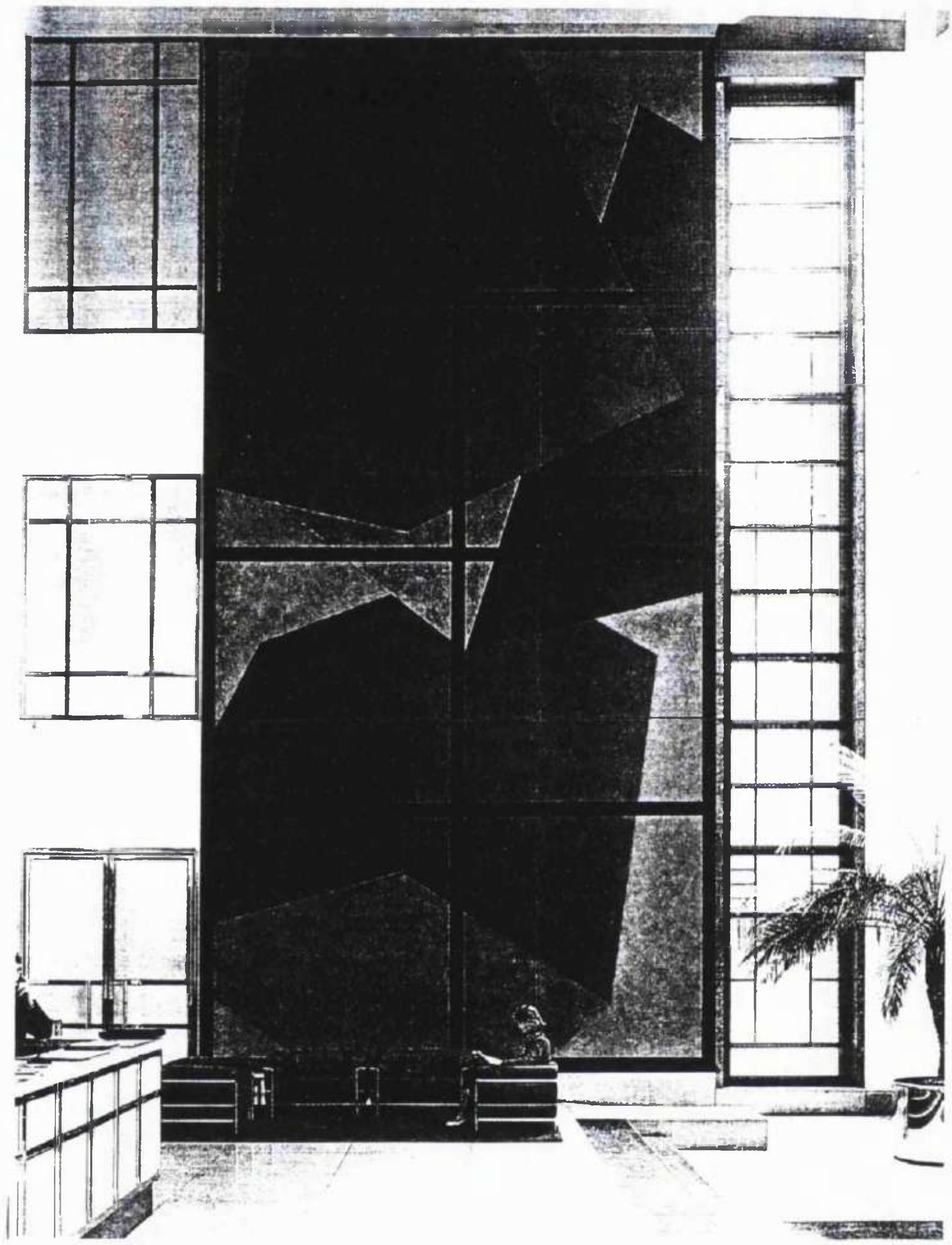

Fig. 6-42. Sol Lewitt, *Wall Drawings #580*, various tilted forms with colour ink washes superimposed and black grid (drawing by Ken Bulter, Chris Claris, David Conearn, Mark Firth, Rebecca Schwab, Hannah Sofaer, Yoko Terrauchi, Jo Watanabe, 1988), 1 Appold Street, Broadgate Development, London.

Fig. 6-43. Barry Flanagan, *Hare on Bell*, 1983, bronze, Equitable, New York.

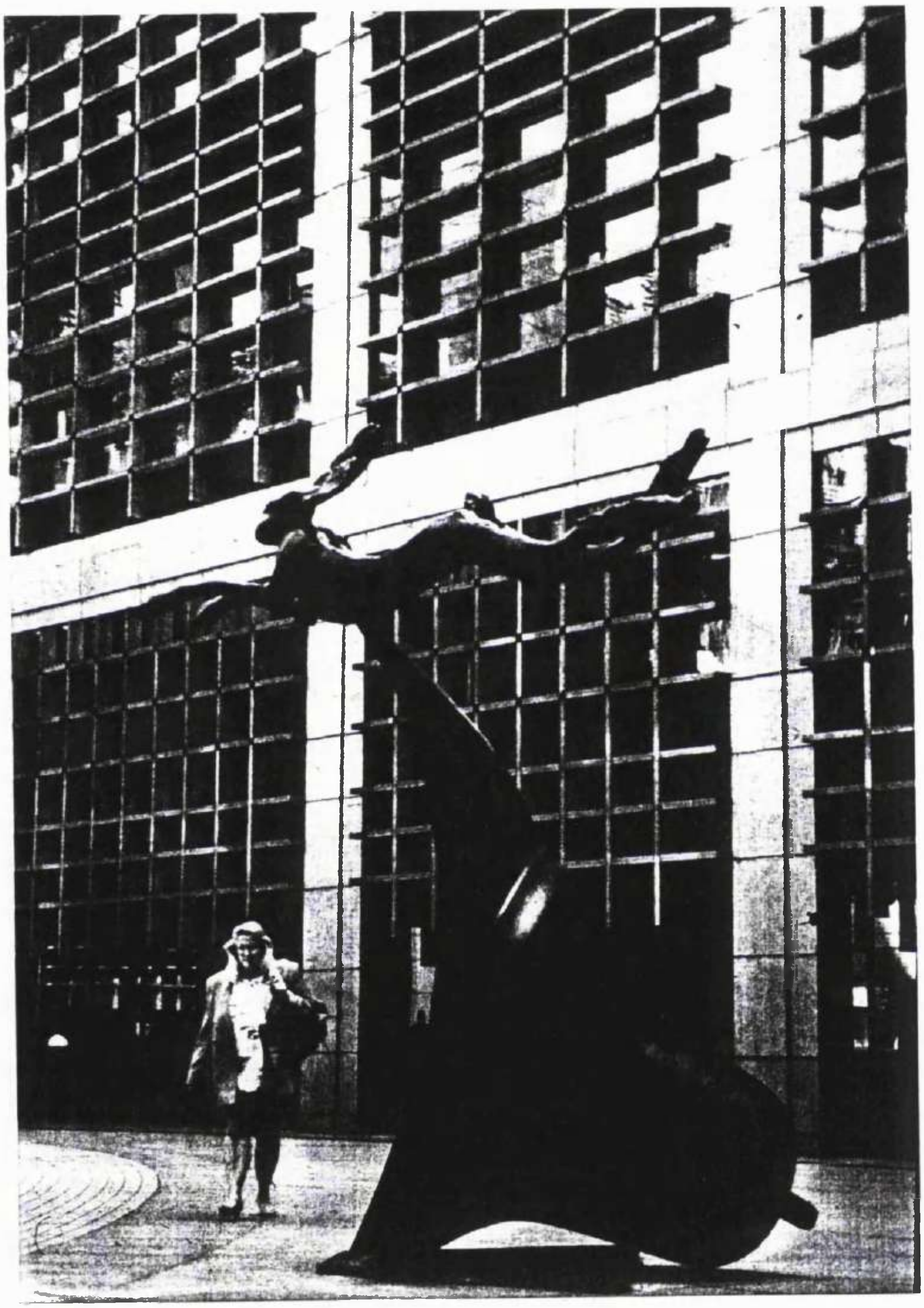

Fig. 6-44. Barry Flanagan, *Leaping Hare on Crescent and Bell*, bronze, Broadgate Square, Broadgate Development, London.

Fig. 6-45. Richard Serra, *Fulcrum*, off Eldon Street, Broadgate Development, London.

Fig. 6-46. "Secretary" piece of Washington D.C. law firm (Dan Flavin, *1-7 "to Don Judd, Colorist"*, 1986, series of seven colour lithographs, 30" x 40 ¾" each, edition of 30).

Fig. 6-47. "Secretary" piece of Washington D.C. law firm (Joel Shapiro, *Untitled #6, 7, 10, 11*, 1979-80, series of four lithographs, 22" x 30" each, edition of 30).

Fig. 6-48. View of works obscured by files at international bank in London.

Fig. 6-49. View of work obscured by indoor plants at international bank in London.

Fig. 6-50. The "Upside Down" picture (Georg Baselitz, *Orange Eater*, 1981-84, 50 x 70 cm, etching), at international bank, London.

Fig. 6-51. Contemporary board room at London company (with Ivon Hitchens, *Poppies Against a Grey Background*, 1961-63, oil, on the right, and Barbara Hodgkins' sculpture in the distance).

Fig. 6-52. Barbara Hodgkins, *Two as One*, marble (detail).

Fig. 6-53. Contemporary board room at London bank (with Javier Graces Ruiz, *Shells*, 1990, chalk on paper, on the right, and Vanda Harvey, *Cardinal*, 1990, oil on canvas, on the left).

Fig. 6-54. Contemporary conference room at London bank (with Ricardo Cinalli's commissioned work).

Fig. 6-55. Antique furniture and décor; company dining room at London bank.

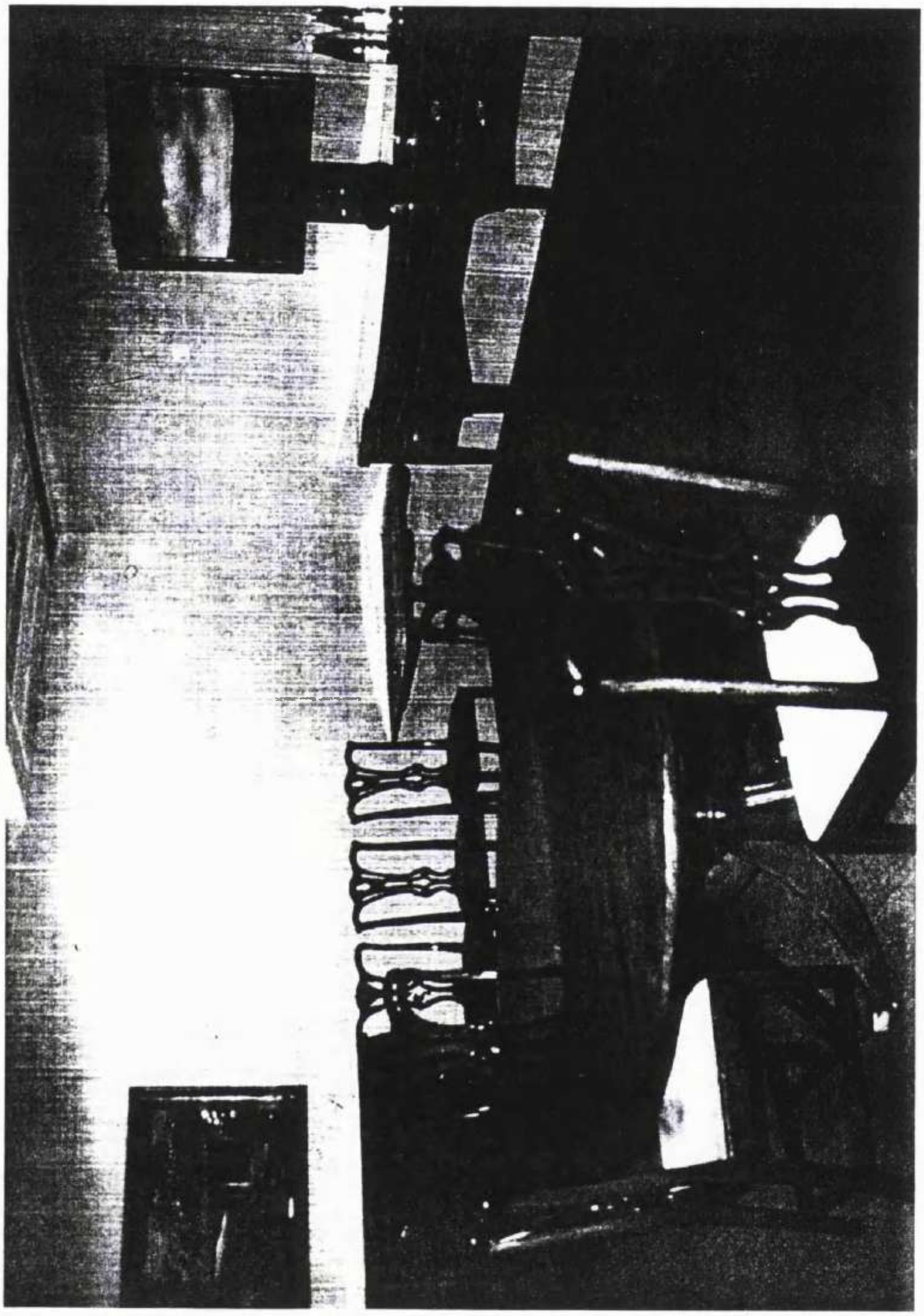

Fig. 6-56. Antique furniture and décor: company small dining room at London bank.

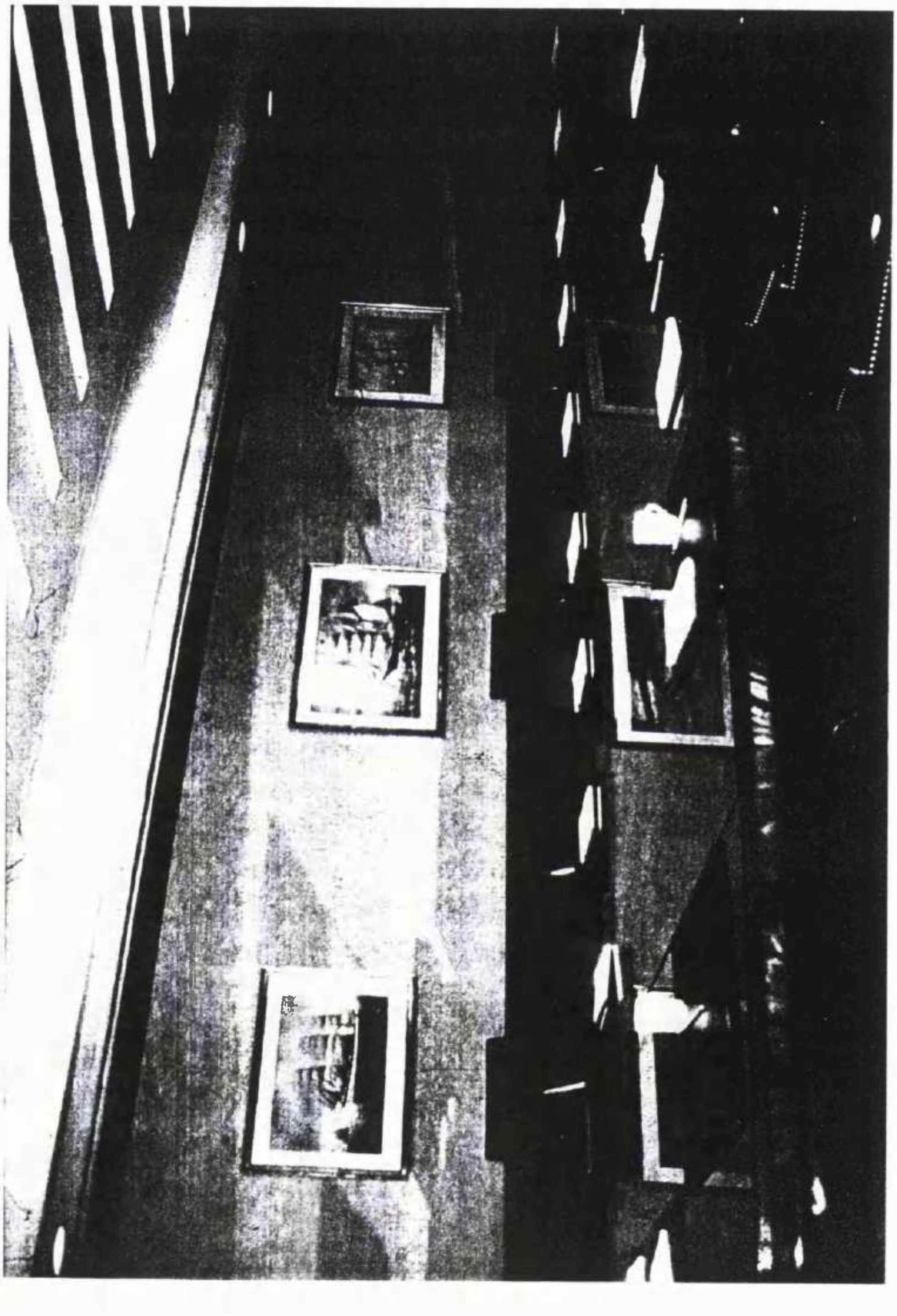

Fig. 6-57. Sense of history at New York law firm.

Fig. 6-58. Sense of history at New York law firm.

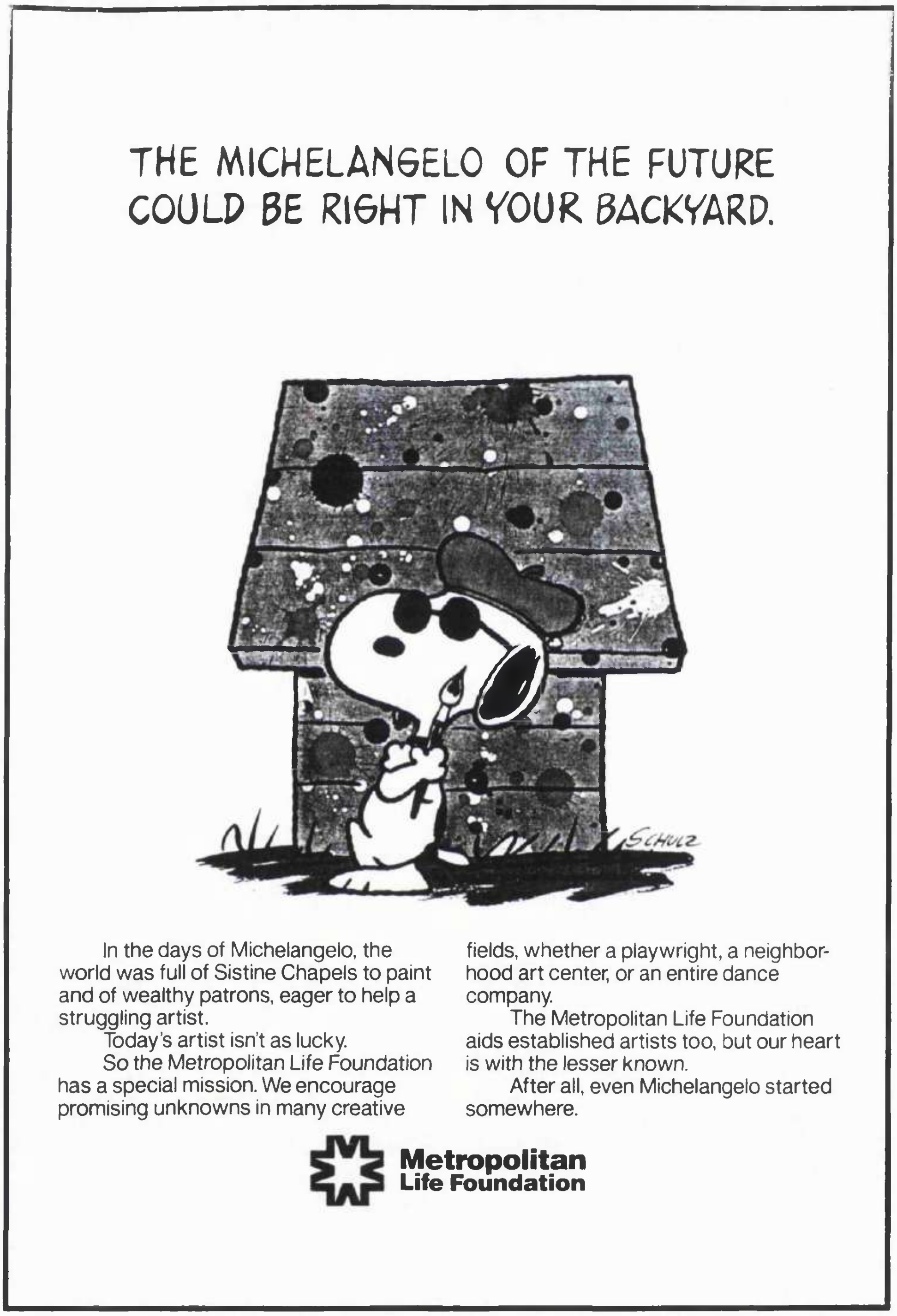

Fig. 6-59. "The Michelangelo of the future could be right in your backyard;" advertisement for Metropolitan Life Foundation; appeared in *Forbes* 28 October 1985 and elsewhere.

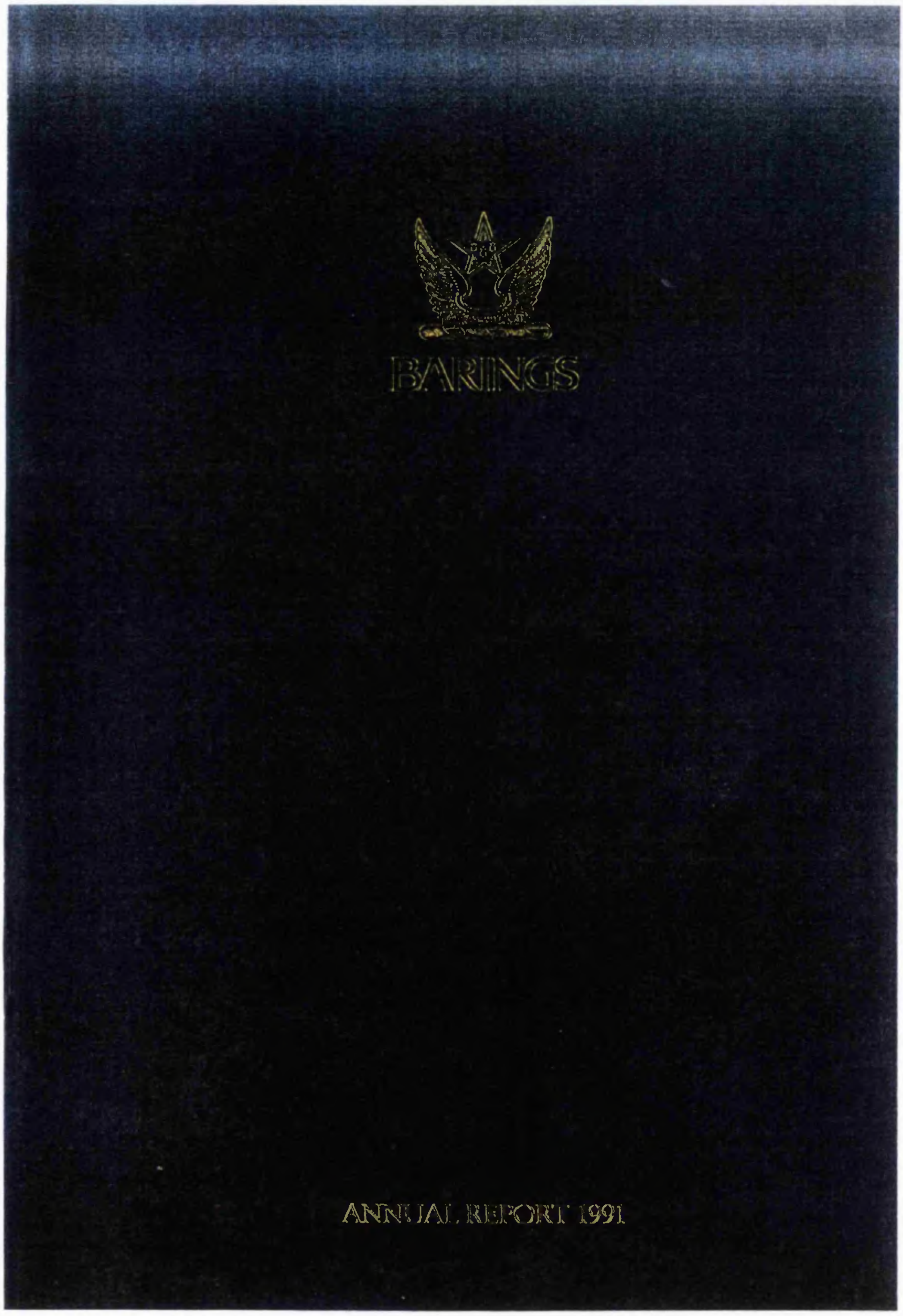

Fig. 6-60. Cover of Barings 1991 Annual Report (old style of annual report).

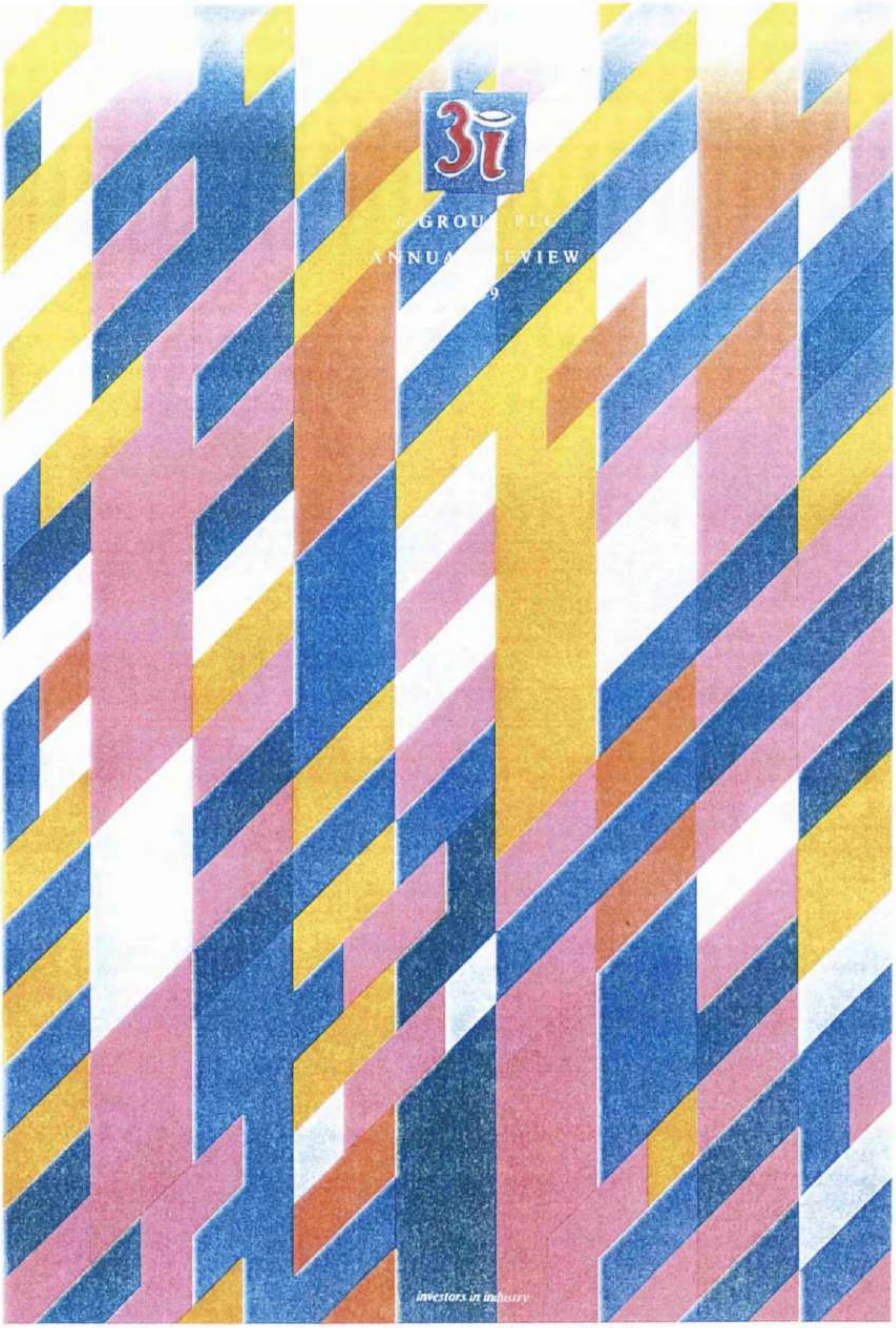

Fig. 6-61. Cover of *3i* (Investors in Industry) Group 1989 Annual Report, with image taken from Bridget Riley, *Midsummer* (1989, oil on linen, 164.5 x 159 cm), commissioned by the company.

Fig. 6-62. Portrait of Chairman, featuring Sir Brian Corby (the caption in the Annual Report reads: "Sir Brian Corbey, seated in the traditional Chairman's chair which features the Corporation's symbol of Prudence"), from *Prudential Corporation plc Annual Report 1991*.

Fig. 6-63. Portrait of Chairman, featuring Sir Denys Henderson, with part of ICI art collection in background, from *ICI Annual Report 1991*.

Fig. 6-64. Paintings featured in Arthur Andersen Graduate Recruitment booklet, 1991.

Fig. 6-65. Picture of nude (Glynn William. *Standing Nude*. 39"x 26". charcoal. at international bank. London (general view).

Fig. 6-66. Picture of nude (detail).

Fig. 6-67. View of canteen with William Scott's "Pots and Pans" pictures at international bank, London.

Fig. 6-68. Barbara Hepworth's "Fried Egg" picture at international bank, London.

Fig. 6-69. Barbara Hepworth's "Fried Egg" picture (detail).

Fig. 6-70. Susan Abbott, *Table with Correspondences*, water on arches paper, 1988, at Washington D.C. law firm.

Fig. 6-71. Susan Abbott, *Table with Correspondences* (detail).

Fig. 6-72. Leslie Kuter, *Portrait of Two Accountants*, 1988, wool, at international accountancy firm, Washington D.C.

Fig. 6-73. Donald Judd, *Untitled*, 1977, anodized aluminum and galvanized steel, 61 ⅛" x 110 ¾" x 6", Fried, Frank, Harris, Shriver & Jacobson, New York.

Fig. 6-74. Donald Judd, *Untitled* (detail).

Fig. 6-75. Bruce Nauman, *Welcome Shaking Hands*, 1985, neon tubing, 182.8 x 182.8. x 25.4 cm, Saatchi Collection, London.

Fig. 6-76. Bruce Nauman, *Double Poke in the Eye II*, 1985, neon sign, 24 x 36 x 6 ¼", Washington D.C. law firm

Fig. 6-77. Bruce Nauman, *Double Poke in the Eye II* (detail).

Fig. 7-1. IBM joint advertisement for arts sponsorship and computers; appeared in *Forbes* 28 October 1985 and 13 July 1987.

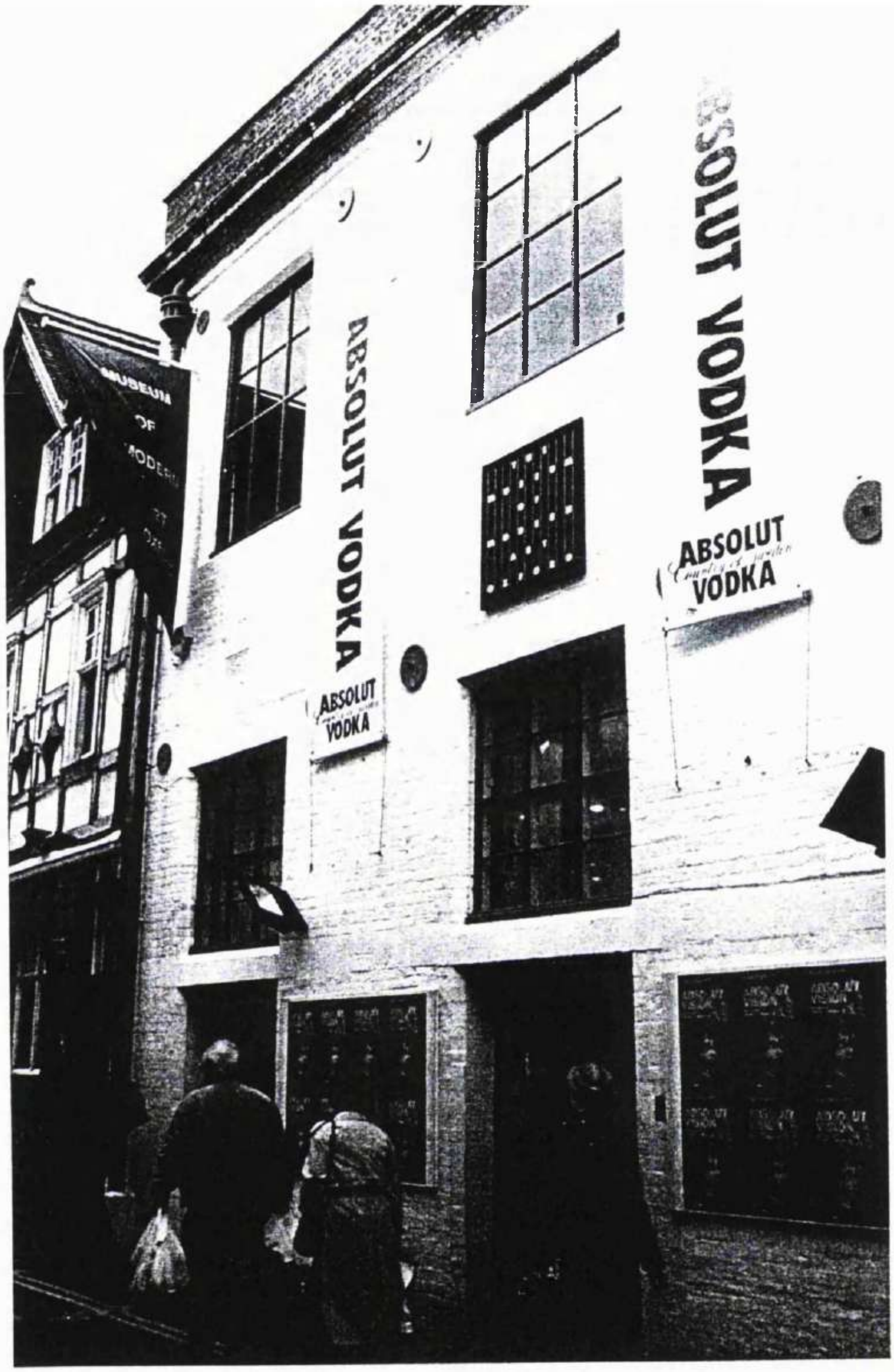

Fig. 7-2. Façade of Museum of Modern Art, Oxford, with sponsor's banners.

Fig. 7-3. Poster for exhibition **Absolut Vision:** *New British Painting in the 1990s.*

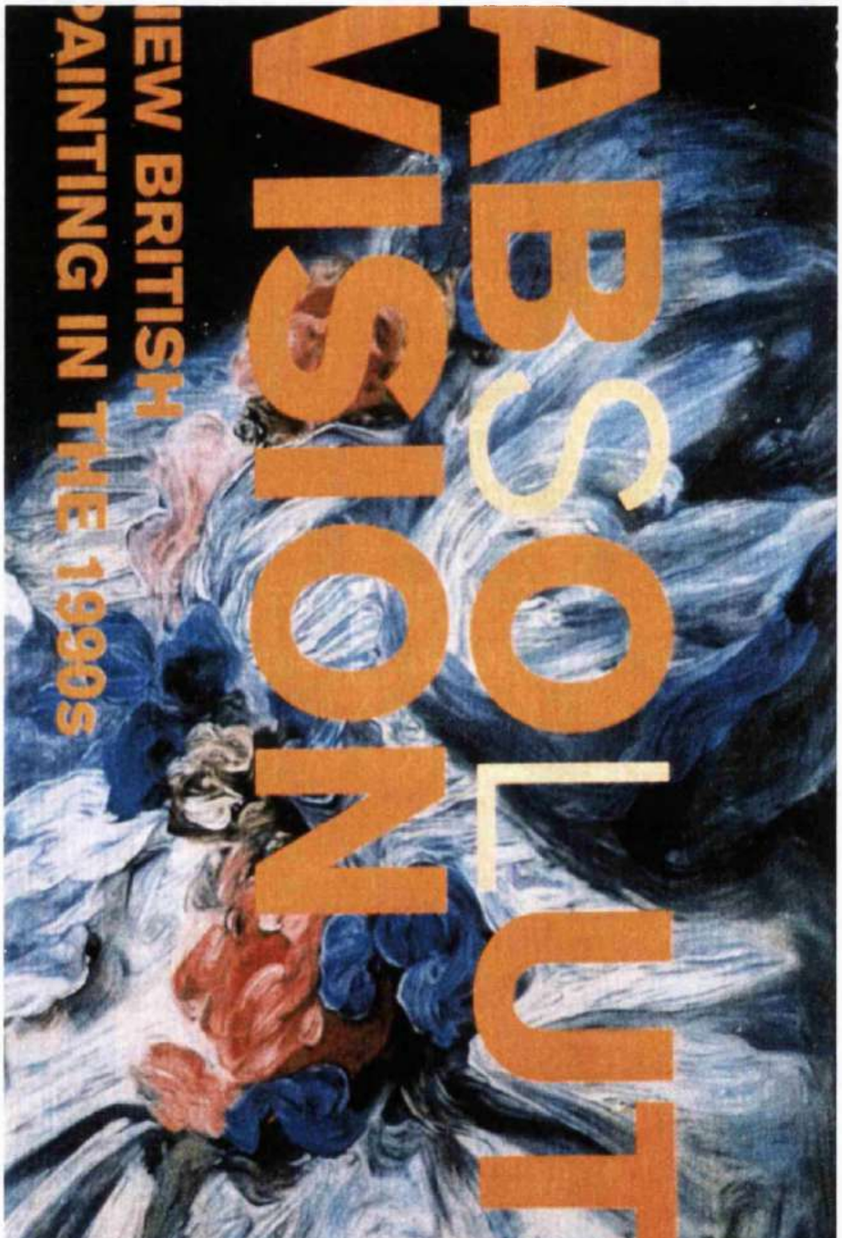

Fig. 7-4. Detail of **Absolut Vision** exhibition title.

Fig. 7-5. View of exhibition featuring Chris Ofili's *Imported*.

Fig. 7-6. Chris Ofili, *Imported*, 1996, oil paint, glitter, polyester resin, map pins and elephant dung on linen with 2 elephant dung supports, 121.9 x 91.4 cm.

Fig. 7-7. Chris Ofili, *Imported* (detail).

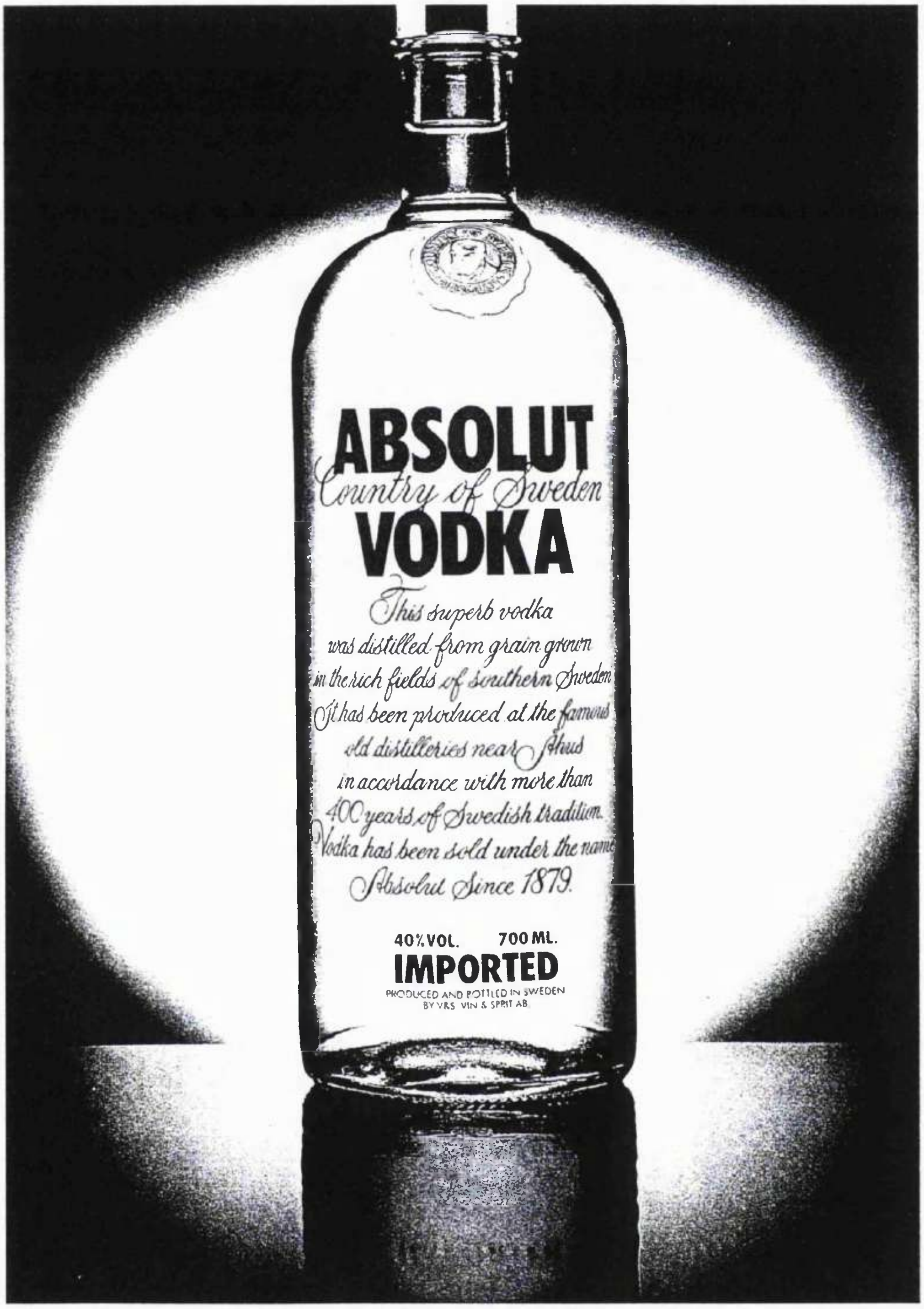

Fig. 7-8. Absolut Vodka bottle as sold on the market.

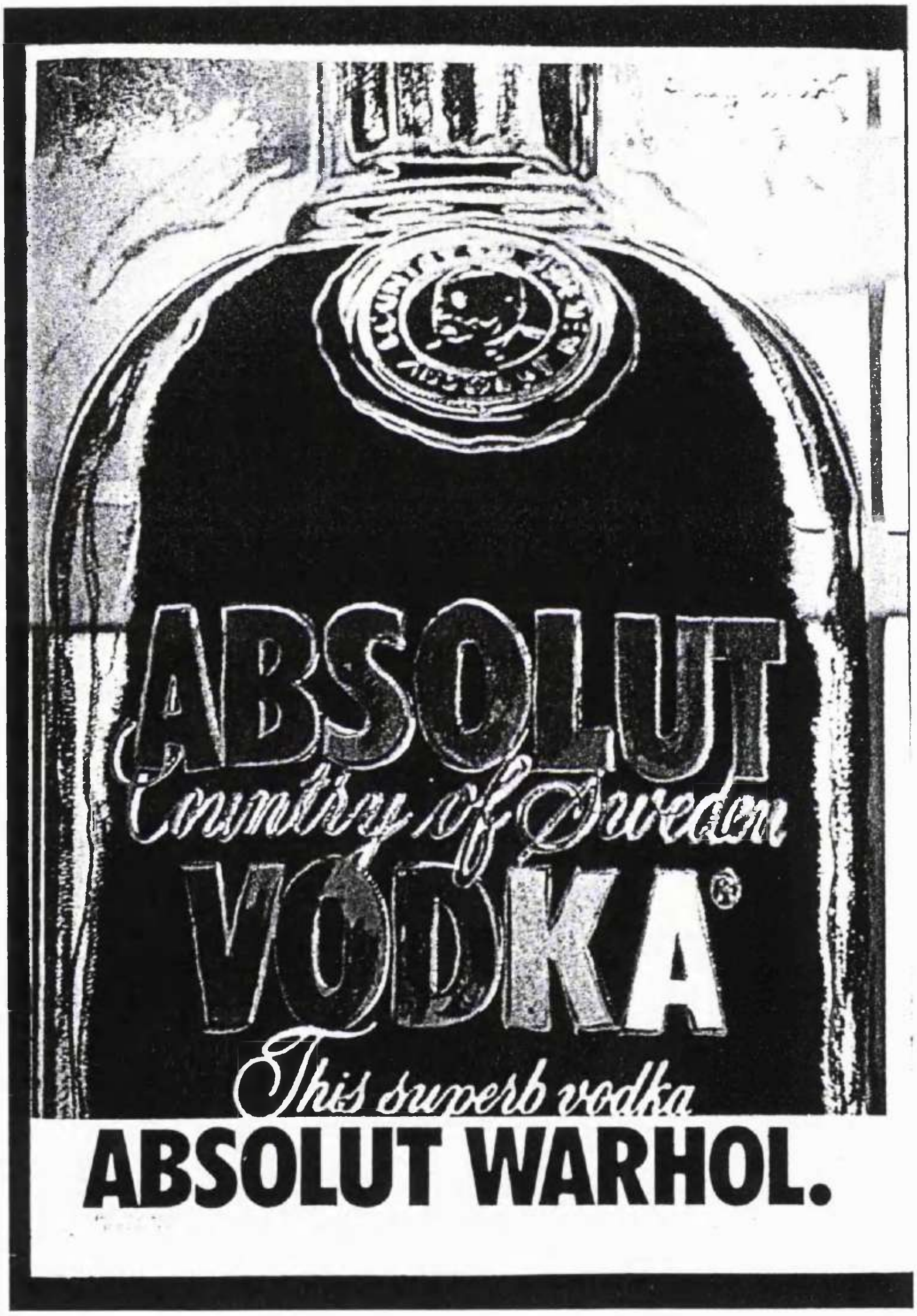

Fig. 7-9. *Absolut Warhol*, Absolut Vodka advertisement which appeared regularly in art magazines such as *Artnews* (September 1995).