

## A FOOL FOR ART

Jeffrey Deitch and the exuberance of the art market.

On the Saturday before the May sales at Sotheby's and Christie's, the New York showrooms of both auction houses attract a cosmopolitan and fairly select crowd. Although the art on view is often better than anything in the galleries, there are not many drop-in viewers. The serious collectors wear casual clothes - designer jeans and Prada blazers, or a velour sweatshirt over cargo pants. Their advisers, who are quite often young, female, and weighed down by portfolios of data, tend toward wisps of black silk, formal but not as formal as the bespoke suits and understated black dresses favored by the resident auction-house experts, who move through the rooms greeting the major players and answering questions. In this highly focussed milieu, almost everybody knows Jeffrey Deitch. A trim fifty-five-year-old art dealer in a well-cut tan suit, he surveys the room through round glasses with buffalo-horn frames, which he designed for himself fifteen years ago. Alert and impeccable, Deitch is a low-key presence but a presence nonetheless, and also, in the sheer range of his undertakings, a somewhat contradictory one.

Since 1996, the main focus of his activity has been Deitch Projects, which generates exhibitions, performances, and installations at his two galleries in SoHo, one on Grand Street and the other around the corner on Wooster, and also sponsors or co-sponsors communal downtown events such as rock concerts, multimedia extravaganzas, and, each September, the Art Parade, a sort of Mardi Gras by and for the least fettered activists on the downtown scene. From 1988 to 1996, though, he was a highly successful private dealer and art adviser to a number of collectors, for whom he bought and sold, at auction or privately, some of the most expensive art works on the market. Before that, fresh out of Harvard Business School, he co-founded and ran a pioneer art-advisory service for Citibank; many banks and corporations had their own art collections, but this was the first time a bank had offered expert advice and assistance to clients interested in buying art.

Although Deitch more or less stopped taking on new clients when he inaugurated Deitch Projects, he continues to work with several collectors, and thus remains an important figure in the international art market, which, during the past five years, seems to have gone crazy. A wave of new American and European collectors, many of them youngish hedge-fund managers, has driven auction prices to unprecedented, almost unimaginable levels - \$104 million for Picasso's "Boy with a Pipe," at Sotheby's in 2004 - and even higher prices have been registered in private sales. (The billionaire hedge-fund owner Steven A. Cohen is said to have paid \$143.5 million last year for a painting by Willem de Kooning.) More recently, money pouring in from non-American sources - Russian oligarchs, mysterious collectors in Dubai, Hong Kong, Singapore, India, and South Korea - has pushed prices even higher, and confirmed the ever-expanding art market as a global enterprise. The collapse, or downturn, that some art professionals have been predicting for years may be inevitable (the recent stock-market turmoil has made investors nervous), but it hasn't happened yet.

A huge portion of the new money in this market is being spent on contemporary art. One reason for this is that top-quality works of Impressionist, Post-Impressionist, and modern art are becoming increasingly scarce. Another is that the most active buyers have acquired a ravenous appetite for the brash, media-savvy productions of Damien Hirst, Jeff Koons, Richard Prince, Takashi Murakami, and other current art stars. They will pay \$1.5 million or more for a Hirst spot painting (canvases with uniform ranks of colored circles, each one a different color; Hirst has done nearly a thousand of these), knowing that they can sell it a month later for double the price. Hirst is the current market king, an artist whose patented brand few ambitious collectors can do without. One of his larger glass-and-steel medicine cabinets, with rows of colorful pills lined up on shelves, sold for \$7.4 million at Christie's in New York last spring, and a similar version went for \$19.2 million in London a month later. That beats the Dow Jones, and it's a lot more fun. "More than any artist, Damien has used the art market as a medium," Deitch told me. "You could dismiss this as over-the-top commercial, but he's achieved a lot of cultural influence and power by using the market so cleverly. He's using the power of the money to enhance the impact of his imagery and his art."

The May 15th contemporary sale at Sotheby's, Deitch told me, when I joined him there earlier in the month, would almost certainly mark a turning point in auction history - the first time contemporary art would surpass Impressionist and modern art in total sales. "Several of the contemporary works here are going to go much higher than anything in the Impressionist and modern sale the week before," he said. The top prospects were a 1950 canvas by Mark Rothko (luminous rectangles of floating color), from the collection of David and Peggy Rockefeller; one of Francis Bacon's contorted figural paintings, called "Study from Innocent X," done in 1962; and an untitled 1981 painting by Jean-Michel Basquiat, the largely self-taught street artist who died of a drug overdose in 1988, and whose prices have ascended meteorically in recent years. Sotheby's catalogue estimate for the Basquiat was between six and eight million dollars. Deitch and a dealer named Alberto Mugarabi, whose family owns many Basquiats and Warhols, stood in front of the Basquiat, discussing the wild gestural scribbling above the crudely drawn stick figure of a man. "He's on fire," Mugarabi said, meaning the artist. "He has it all going." Deitch, who wrote the first press mention of Basquiat (in a 1980 issue of *Art in America*), became his close friend, and delivered the eulogy at his funeral, plays down his role in the Basquiat market. "Before this auction, we would have valued the picture at five million dollars," he said. "What's happened? The timing is right. A few people at the top level are looking for this kind of trophy. You tend to think there's this big abstract market, but in fact it's all about individual people buying." Deitch said that he might be bidding on the Basquiat. He was interested in several other works as well, especially an enamel-on-metal "Girl in Mirror" painting by Roy Lichtenstein. "I think it perfectly captures Roy's Pop aesthetic," he said. "The fact that it's a multiple - an edition of eight - doesn't hold me back at all from considering this a major work of art." He also liked an abstract landscape from the nineteen-seventies by the much admired German artist Gerhard Richter. Richter's figurative paintings are usually more expensive than his abstractions - there was one in the same sale, a black-and-white study of two nude girls, which carried an estimate of between nine and twelve million dollars; Deitch thought that was too high, but the abstraction, which was estimated at between two and a half and

three and a half million dollars, was a good buy, and he would recommend it to one of his clients.

This was his third visit to the exhibition. He likes to have more than one look at the things that interest him, and to investigate their conditions. In some cases, he has a painting taken to a darkened room so he can examine it under an infrared light, which helps to reveal repairs or retouchings. "What I'm trying to do is to find opportunities, inefficiencies in the market," he said. Deitch also pays close attention to sales results, which sometimes lead to new opportunities. When two buyers compete for a picture, bidding the price up and up, Deitch may have access to a similar work that he can offer to the underbidder.

The contemporary artists Deitch admires most are the ones whose work is indistinguishable from their life. One example - and Deitch's greatest personal disappointment - is Cecily Brown, a British-born artist who moved to New York in the mid-nineties, joined the newly founded Deitch Projects, and then left, after two shows, to the grander horizons offered by Larry Gagosian, the world's most powerful art dealer. At Sotheby's, standing in front of a large semi-abstract painting of Brown's called "Guys and Dolls" (estimate between four and six hundred thousand dollars), which had been in her second show at Deitch Projects, Deitch said that he might try to buy it himself. "I understand what these are," he said. "You see the promise, the big, liberating, de Kooning approach to painting. It was so thrilling for a young woman to take this New York School tradition and turn it on its head, make it feminine and tough - a new kind of feminism. Cecily is a great example of the artist living the art. This is her, in her own bed. It's pretty aggressive sexual imagery."

Deitch was right about the sale being a turning point. David Rockefeller's Rothko went for \$72.8 million, a new record for a contemporary work at auction. The Francis Bacon sold to an unidentified telephone bidder, whose client was said to be a Middle Eastern collector, for \$52.6 million, nearly doubling Bacon's previous auction record. The Basquiat was knocked down to another unidentified telephone caller (not Mugrabi), for \$14.6 million, nearly triple his previous high. Sotheby's total sales figure (which includes the house's commission) came to \$344.6 million, exceeding the \$337.2 million total for its Impressionist and modern sale the week before. It was soon eclipsed by Christie's contemporary sales that week, which brought in \$477.8 million and established new auction records for Andy Warhol, Jasper Johns, Gerhard Richter, and Damien Hirst. The star lot at Christie's was Warhol's "Green Car Crash (Green Burning Car I)"; five people were bidding, and the winner, a Christie's agent bidding on the telephone from Asia for an unnamed buyer, paid \$71.7 million. "I think it's fascinating that the Warhol 'Car Crash' went for essentially the same as the Rothko, and it's amazing that a painting like that may go to Asia," Deitch said afterward. The absence of American buyers at the top level seemed significant to Tobias Meyer, Sotheby's worldwide head of contemporary art, when I talked to him about it soon after the sale. "We've never analyzed an art market in this new world, with China, Russia, and parts of the Middle East involved," he said. "For the Rothko and the Bacon, we had no American bidders." Meyer mentioned that at dinner recently Neil MacGregor, the director of the British Museum, had said to him, "You

know, Tobias, for the first time in at least two hundred years the Western world doesn't make the decisions about our future."

Deitch bought several lots at Sotheby's, including the Lichtenstein enamel-on-metal painting, for more than four million dollars. The day after the sale, he called Sotheby's about one of the unsold lots - a picture on which the bidding had stopped short of the minimum price, or "reserve," the owner had set for it. Deitch negotiated a deal on the telephone, under which a client of his got the picture for an "advantageous" price. He wouldn't tell me who the client was. "These things are highly sensitive," he said. "You have to know the players, and you have to be very, very discreet."

When Deitch started out, in 1979, at Citibank, the auction houses played a much smaller role in the art market than they do now. Their main customers were not private collectors but art dealers, buying stock they might hold for years before reselling it at higher prices. Since the nineteen-fifties, though, when Sotheby's and Christie's established the boom market for Impressionist and Post-Impressionist pictures, they had been moving to capture a larger share of the dealers' business, and in the mid-seventies this campaign became more aggressive. Both houses started competing for major collections of Impressionist, Post-Impressionist, and modern art, in some cases offering loans and, eventually, guarantees to potential sellers: if the work sold for more than the guaranteed figure, the seller got the full amount; if it fell short, the auction house paid the guarantee and kept the art, which it could then sell privately. Always on the lookout for new material, Sotheby's decided in the early seventies to test the market for contemporary art, which until then had almost never appeared at auction. Sotheby's 1973 sale of Pop and minimalist works from the collection of Robert Scull, the taxi-fleet owner, was a success, but it was several more years before the auction houses really went after the contemporary market. According to David Nash, who ran the Impressionist and modern art department at Sotheby's for many years, "Until about 1980, if you bought a work of contemporary art by a major artist from a major gallery and tried to resell it immediately, you would get about half what you'd paid for it."

Contemporary art held little interest for the big-time collectors whom Deitch and Patrick Cooney, a young art historian who was hired to run the art-advisory service with him at Citibank, found themselves assisting. "I was only being paid about thirty thousand dollars a year," Deitch said, "but I was spending millions, flying first class to Hong Kong and Singapore, staying in top-level hotels, and taking clients out to expensive lunches. I had access to almost any collector, and also to important museum people, like Bill Rubin" - then the head of painting and sculpture at the Museum of Modern Art. "I was just living in this fantasy world." Deitch was quite "shameless," as he puts it, in his ability to ingratiate himself with the super-rich. Cooney, who now has his own art-advisory business, agreed with the "shameless" bit when I asked him about it recently. "We had access to a lot of very interesting people," he said. "Jeffrey has a very strong personality. He wants to get things done, and he doesn't have a lot of patience - which can be grating and also inspiring." Like most people who succeed in the art business, Deitch could remember everything he saw and heard. His art education - begun when he was an art-history major at Wesleyan University and broadened by a year at the vanguard John

Weber gallery, in New York, as well as at Harvard Business School - soon included firsthand experience with everything from Old Master paintings to Picasso and Matisse, and his network of contacts was phenomenal.

The art world, meanwhile, had emerged from a long slump in the seventies and by the late eighties was gorging on irrational exuberance. Prices had been driven up mainly by new Japanese investors. "Much of the money they were spending was borrowed, against their inflated real estate," Nash told me. "They were buying art for every reason except to hang on the wall. They bought it to give as presents to politicians. I was told there were official limits to what you could charge for an apartment in Japan, but if the apartment had a painting on the wall you could charge whatever you liked." One of the reasons the art market is so hard to analyze is that it is filled with imponderables; Deitch told me, for example, that the owner of a chain of Tokyo clothing stores named Masao Wanibuchi took out a mortgage on his two-floor shop in the Ginza and used the proceeds to buy some of the top lots at Christie's and Sotheby's.

Deitch, who spent a semester in Kyoto as a high-school exchange student, was one of the few American dealers who managed to establish personal connections with Japanese buyers. He made several visits to Japan in the late eighties, and paid a call on Mr. Wanibuchi, whose fitting-room walls were covered with paintings by Cézanne, Lichtenstein, Warhol, and other Occidentals. "I made friends with a number of the Japanese dealers and consultants," he said. "One of them introduced me to the young chairman of the Isetan department store, which had entered into a partnership with Barneys in New York. He was obsessed with building a really ambitious collection of American art, so I helped him get a number of things, including Jackson Pollock's 'Number 8, 1950,' a great, classic Pollock, and also Jasper Johns's 'White Flag,' which had recently been sold at auction by the estate of Burton and Emily Tremaine."

At that auction, "White Flag" had gone to a newcomer named Hans Thulin. "The art world was much smaller then, and everybody wanted to find out who this guy was," Deitch recalled. "Leo Castelli, with whom I'd become quite friendly, called me up one day, all excited, and said, 'I have Hans Thulin's private fax number!' Leo wasn't about to go chasing Thulin down himself, so he assigned me that task." Thulin turned out to be a Swedish real-estate speculator who had been attracted by the recent publicity about art as investment and had persuaded a Swedish finance company to lend him money to buy art at auction. After several trips to Sweden and months of negotiation, Deitch arranged to buy "White Flag" from Thulin, and resold it to the chairman of Isetan for more than twenty million dollars. This was the highest price ever paid for a work by a living artist (Thulin had paid seven million), and it remained the highest for some time, because the art market crashed soon afterward.

When the Japanese real-estate market collapsed in 1991, the Japanese art buyers disappeared, and so did the market they had helped create. Paintings by Julian Schnabel, David Salle, and other heroes of the neo-expressionist generation, which had been selling for upward of a million dollars apiece, were now worth considerably less. In the ensuing down-market, which lasted until about 1997, quite a few of the speculative buyers had to

sell at big losses. Deitch, on the other hand, did extremely well for himself. In his first year as an independent art dealer, he was astonished to find that his earnings rivalled those of the chairman of Citibank (this was before the metastasizing perks for clueless C.E.O.s). As a result, he was able to buy quite a few important works of contemporary art and to hold on to them until prices went up again. He also bought Pollock's "Number 8, 1950" back from Isetan, for ten million dollars, on behalf of the American film producer David Geffen. (Last year, Geffen sold it to Steven Cohen for fifty-two million dollars.) Like several other collectors with nerve and liquidity, Deitch laid the foundations of his own extensive collection during this period, buying and keeping such trophies as Warhol's "Crowd" and Paul McCarthy's "The Garden." "The majority of my wealth comes from having made astute purchases at the bottom of the market," he told me.

What interested Deitch the most, then and now, was the art being made at that moment in New York. If he wasn't travelling, he spent his free time going to galleries and art events, and engaging in what he called "dialogues" with artists. At college and for a few years afterward, he wasn't sure whether he wanted to be an art dealer or a curator or an artist. Performance art was big then, and in the seventies Deitch did some pieces of his own, one of which involved starting arguments with people on street corners and then withdrawing from the fray and filming the results. He wrote reviews for Arts and other journals, and conceived and curated exhibitions, the first of which, in 1975, was called "Lives"; its theme was "artists who use their lives as part of their work," and the thirty artists he chose included Vito Acconci, Jonathan Borofsky, Hannah Wilke, and Andy Warhol. When Kirk Varnedoe became head of painting and sculpture at the Museum of Modern Art, he approached Deitch about joining the staff there. Deitch was interested, but nothing came of the idea. Not long afterward, he decided that he could be freer and more creative as an independent dealer.

In 1985, he had taken Dakis Joannou, a wealthy Greek entrepreneur, to the East Village to see Jeff Koons's now legendary "Equilibrium" show, which featured basketballs submerged in tanks of distilled water, and enlarged painted replicas of Nike ads. For Joannou, the experience was galvanic - "as if Pandora's box had opened," he once wrote. It set him on the road to becoming one of the world's most adventurous and prolific collectors of Koons in particular and of contemporary art in general. Deitch, who had been a close friend of Koons since the nineteen-eighties, was about to become deeply involved with his career, whose spectacular (temporary) flameout brought them both to the brink of ruin.

They had much in common, although their backgrounds were very different. Koons came from a solid middle-class Lutheran family in Pennsylvania; Deitch's forebears were liberal Jewish intellectuals. What they shared was a fascination with American popular culture and a drive to do big things in art. Deitch's grandparents had emigrated from Russia and Poland before the First World War, and settled in Hartford, where his father ran the family coal-and-oil business and his mother worked as a professional economist. (As a teen-ager, Deitch loved to drive the big fuel truck on weekend deliveries.) His mother gave him the feeling "that if you didn't get into Yale or Harvard your life was ruined." He applied only to Yale, and didn't get in, but after four years at Wesleyan and a year with John Weber, the Harvard Business School fulfilled his parents' expectations.

Deitch got on well with almost everyone, and seemed to have no private life outside the art world. For six years, from the mid-eighties to 1991, he lived with an Italian artist named Laura Grisi, whom he had met through Leo Castelli. She was ten years older than he was, and steeped in the allure of the European upper class; she took him to her father's (and Gianni Agnelli's) tailor in Rome, Caraceni, who has made his suits ever since. But even then Deitch struck people as a gregarious loner, someone who wouldn't accept dinner invitations in advance because he wanted to be available for art events, or for artists, like Basquiat and Koons.

In the early nineties, Koons embarked on his most ambitious art project to date, a series, titled "Celebration," of very large sculptures and paintings based on toys, party foods, and other images of early childhood. Impatient with the efforts of his dealer, Ileana Sonnabend, to finance his earlier work, he turned to Deitch for help in producing the new series, which involved setting up a large studio and hiring dozens of assistants. Convinced that "Celebration" would be one of the most ambitious bodies of work in a decade, Deitch formed a syndicate with two other dealers, and together they took over the project.

In the next ten years, the costs of fabricating the "Celebration" series to Koons's obsessively exacting specifications nearly brought Deitch to financial ruin. Faced with millions of dollars in obligations for unfinished works that had been presold for less than the production costs, Deitch sold a half interest in Deitch Projects, which had just opened, to Sotheby's, for five million dollars. Sotheby's put him in charge of the established but superannuated André Emmerich gallery, which it had recently acquired, and paid him a sizable salary to coordinate the firm's private sales in the contemporary market. According to Deitch, his ambitious plans for Sotheby's found little favor with Diana Brooks, the firm's dictatorial and less than scrupulous chief executive (she was convicted in 2002 for her role in the price-fixing conspiracy between Sotheby's and Christie's); the arrangement between them, which had allowed him to pay off his "Celebration" costs, lasted less than three years. Deitch regained full control of Deitch Projects, but by then Koons had turned against him, and they barely spoke to each other for several years. Their friendship eventually revived. "If you excluded all the people in the art world who disappoint you," Deitch once told me, "you couldn't function."

For a successful dealer in today's frenzied art market, Deitch has remarkably few enemies; like Leo Castelli, whose style he emulates, he is a congenial optimist who finds ways to avoid confrontations and resolve disputes. Jeanne Greenberg, a former associate who became his partner in Deitch Projects, withdrew abruptly from the partnership two weeks before the gallery opened, for reasons that the legal settlement between them forbids either one to discuss. But even she speaks well of him - in carefully measured tones. "My time with him was very fruitful," Greenberg, who now runs her own gallery in Chelsea, says. "He's a very agile person, who has a taste for youth culture. He feeds off that energy, and I think it feeds off him, in a good way."

Jeffrey Deitch's apartment looks about right for a graduate student. He lives alone in two small rooms in a high-rise building in the West Sixties. There is no art on the walls, no

prints or photographs - nothing. Deitch reasons that, because he leaves at nine in the morning and rarely returns before midnight, art would be distracting. "It would absorb me too much," he said. "This is a place where I can think clearly." A makeshift bookcase in his bedroom is stuffed with paperbacks - biographies, classic novels, Jewish history. The living room's single window has a view of Central Park, where he goes every morning to run. In good weather he runs up to the reservoir and circles it twice; in bad weather he does the Park Drive, a six-mile loop. He likes his neighborhood because it's near Lincoln Center, the Park, and his favorite movie houses. (He has never owned a country house.) Since his breakup with Laura Grisi, Deitch has had a few casual girlfriends, but marriage and family life do not tempt him. In his thirty-year allegiance to the life of art, he is as dedicated as any artist.

Deitch takes the subway downtown, and is usually in his office, on the second floor of the Grand Street gallery, by eleven. He and half a dozen young associates work in a cramped, low-ceilinged space where everyone can see and talk to everyone else, argue, and share ideas. "We decided at the start that the gallery was going to be based on an approach to art, not on a roster of artists," he told me. "I see it as a platform for creative community - the extension of life into art and art into life." The gallery opened in January, 1996, with a live performance piece by Vanessa Beecroft, an Italian artist whose materials, if that is the word, are groups of nude or seminude young women standing or sitting on the floor, shielded by their attitudes of aloof impassivity. Since then, and with the opening of the space on Wooster Street, Deitch Projects has put on about two hundred exhibitions, a great many of which involve performance activities of one kind or another. Deitch introduced the work of Cecily Brown, Barry McGee, Kristin Baker, and other young painters and sculptors (several of whom moved on to other galleries), and lately he has started showing works by older artists (David Salle, Francesco Clemente, Vito Acconci) who he thinks are insufficiently appreciated in the current market. The emphasis, however, has been on youth, and on the kind of breakout, mixed-media, transgender performance energy that has come to dominate the art and music scenes downtown.

"I just love this whole concept of the artist as art," he said recently. "There's been a new incarnation of performance art over the last ten years, and also a fusing of image, sculpture, fashion, music, and dance. One of my missions is to keep the radical downtown tradition alive." Since many of the performers are gay, and Deitch is not, his role as entrepreneur and benefactor, the only suit in a sea of grunge, lends an ecumenical élan to the goings on. He sees himself and the gallery as part of a "post-gay, post-black, post-feminist orientation," as he puts it. In the past year, Deitch Projects has sponsored wildly popular appearances by the Scissor Sisters (three gay men, one straight man, and one straight woman), Fischerspooner (Warren Fischer and Casey Spooner's glam-rock ensemble), and the Dazzle Dancers (whose dazzling includes rampant glitter and what a droll aunt of mine used to call nudal frontity). Deitch gave the Austrian artists' collective Gelitin carte blanche to perform at a dinner party he threw last winter in his Wooster Street gallery, to celebrate the publication of the photographer Jason Schmidt's new book. While two hundred and fifty guests dined at long tables with white tablecloths and silver candelabra, the all-male Gelitin crew, swigging bottled water and wearing buckets on their heads, spike heels, fishnet stockings, and not much else (unless you count the

fetishistic pendants dangling from their pudenda), hammered together the prefabricated elements of a wooden structure that rose like a bridge over the tables; the bridge had four arched platforms at graduated heights, and when the crew finished nailing them together they climbed up - still in their high heels - and urinated into the hats of their colleagues on lower levels. "It was spectacular, perverse, uplifting, beautifully horrifying, and deeply transgressive," according to Deitch, whose tolerance for transgression is probably limitless. Most of the guests showed a comparable sang-froid, although they had neglected to bring umbrellas; only a few of them left before dessert.

Last summer, Deitch lent the Grand Street gallery to the young artists Dan Colen and Dash Snow, for one of their "Hamster Nest" installations. They filled the space waist-deep with the shredded remains of twenty-five hundred Manhattan phone books and brought in thirty or so of their friends for several all-night sessions of substance-fuelled wall drawing and other creative activities. Whether this sort of thing represents their defiant rejection of the superheated art market and late-capitalist decadence, as Deitch and others suggest, is an open question. My own sense of it is that the self-indulgence level of these activities keeps them at a sort of pre-adolescent, or even toddler, stage, where the defiant aspects fail to register. Unlike the Young British Artists of the nineteen-eighties and nineties, who were often said to be reacting against a decade of cold roast Thatcherism, the current downtown scene has not yet produced anybody who seems marked for stardom on a larger stage, but the participants project a lot of high-decibel energy. Alanna Heiss, the perennially adventurous director of the P.S. 1 art center in Queens, has admired Deitch's boundless enthusiasm for young talent since the early nineteen-eighties, when he curated two shows for her. "When Jeffrey was young, he was a grownup," Heiss said the other day. "Now that he's a grownup, he's actually very young. He's quite different from most of the other dealers I know. He's mad enough really to participate in the vision of the artist."

This year's version of the Art Parade, co-produced by Deitch Projects, Creative Time, and the magazine Paper, on September 8th, drew a much larger audience than the previous two installments, and showed the potential to become a New York tradition - a sort of anti-Macy's folk festival. I watched it with Deitch, who seemed enraptured as eighty-two artists or artist groups danced and cavorted along a stretch of West Broadway that had been blocked off for them by a police permit. "Wow, look at that," he marvelled, as Bambi the Corn Star and her entourage passed, clad in glitter and a few tendrils of ribbon, each one talking with matchless animation into an old-fashioned rotary phone. The Dazzle Dancers were not quite nude; Kembra Pfahler and the Girls of Karen Black wore midnight-blue body paint; and the Malcolm X Shabazz High School band, from Newark, played "The Star-Spangled Banner." "This is so New York," Deitch said.

Deitch's colleagues tend to admire, with reservations, his enthusiasm for art he can't sell. "He's a real P. T. Barnum, a visionary," said Gavin Brown, a Tribeca dealer who represented Fischerspooner before Deitch did but was happy to pass them on to him. "Maybe some of his visions are tacky, but I'm often glad someone's done that. I wonder, though, how his position in the secondary market is eroded by this trash he involves himself with." Deitch's continuing activity in the resale market is what helps subsidize all

these downtown events, of course; and Deitch Projects, which represents a number of highly marketable young artists, shows no sign of going broke. In fact, Deitch has just acquired a twelve-thousand-square-foot waterfront space in Long Island City, across the East River from the United Nations, which artists will be able to use for installations and performance works that are too large and ambitious for his SoHo galleries. As Barry McGee, a San Francisco skateboarder and street artist whom Deitch has promoted and shown, put it recently, "He is not afraid to get behind huge projects that end up in a Dumpster."

At the other end of the scale, where hedge-fund collectors compete for the same ten or twelve celebrity artists (the artists as well as their work - "You feel pulled apart," one artist told me, after turning down dinner invitations from three collectors for the same night), prices now determine reputations. One reason the market has taken over, in the opinions of Deitch and others, is that critics and museum curators no longer clarify and define the main currents in recent art. In the nineteen-fifties, when hardly anybody was buying contemporary art, a handful of influential art critics (Clement Greenberg, Harold Rosenberg, and one or two others) told us which artists mattered. The sixties changed that. Pop art, minimalist art, and a host of other developments caught the critics off guard, and for a decade or more the artists filled the critics' role; Leo Castelli and other leading dealers made decisions mainly by listening to artists. Increasingly, though, auction houses, with their slick marketing techniques, were becoming the primary arbiters of quality. "I know a lot of collectors who look to the auction catalogues to define contemporary art today," Deitch said recently. "The museums are not really articulating this in a coherent way. The market provides the structure, and when you ask who are the major artists, it's basically 'What are their prices?'" Deitch sometimes sounds a bit rueful about his part in forging the nexus of art and money. "I helped create this whole thing of a professional art-advisory service, and also this fusion of art and entertainment," he told me. "I'm not sure which one the old school despises more."

Deitch has no problem doing business with the new wave of collectors. As he puts it, "The hedge-fund people are brilliant. They get very good professional advice, and they have a tremendous amount of information on prices, provenance, condition, and so forth available to them through the Internet. It's true that some of them look on art mainly as a business investment, but others are intellectually curious and see it as part of a civilized life." A museum curator told me recently that he finds something "ravenous and voracious" about the new collectors, a tendency to devour all the information they can find about an artist, and then to make very fast decisions - the same way they make decisions in the financial markets. "These young guys were born in a media society," according to Philippe Ségalot, Christie's former international head of contemporary art, who left in 2001 to start, with two colleagues, a private art-advisory business. (One of his principal clients is François Pinault, the French luxury-goods magnate, whose holdings include Christie's.) "They identify much more with contemporary art than with modern art, and they're highly competitive. They want to surpass the best museums, and by collecting contemporary you can do that, because you are quicker, richer, and more reactive - you don't need a board of trustees to approve what you buy."

A few of the new collectors have adopted highly specific goals. Aby Rosen, the German-born real-estate developer whose acquisitions include Lever House, the Seagram Building, and the Gramercy Park Hotel, and whose town house on the Upper East Side overflows with Warhol's celebrity portraits (hardly the artist's most significant work), is said to view art as an aspect of his business - a capital asset that complements his ownership of landmark architecture and the pleasure he takes in associating with artists. Some of the younger collectors establish "positions" in one or more artists, whose market value they then stand to influence. Daniel Loeb, a forty-five-year-old hedge-funder, owns about sixty works - paintings, drawings, and prints - by Martin Kippenberger, an influential and provocative German artist who died in 1997, at the age of forty-four, and whose prices have risen impressively in the past few years. Loeb's collection also includes works by Cecily Brown, Richard Prince, Peter Doig, Mike Kelley, Kai Althoff, and other contemporaries, several of whom he and his wife (who collects feminist art) have met at Larry Gagosian's dinner parties.

The most successful hedge-fund owner of all is Steven Cohen, whose SAC Capital Advisors has reportedly earned its investors an average annual return of nearly forty per cent since 1992. According to a 2006 story in the Wall Street Journal, Cohen, who rarely agrees to be interviewed, has bought close to a billion dollars' worth of art since he started collecting, in 2000. He keeps some of the more startling examples - Marc Quinn's self-portrait head made of the artist's frozen blood, for example - in the SAC offices in Stamford, Connecticut, where (according to the Journal) rows of traders wear fleece jackets to ward off the air-conditioned chill, and Cohen sits at his desk, clad in a worn sweater and jeans, tirelessly tracking the financial markets on eight TV screens. Cohen guards his privacy and spends most evenings at home, but he attends important auctions and other art-world events. "Cohen is the real thing," Deitch told me. "He really connects with the art."

It seems legitimate to wonder what effect these new collectors, whose passion for art is (relatively speaking) about six minutes old, are having on the kind of work that rises to the top in the new, global art business. "I think that the spectacular painting which already sells itself on the printed page is what you will see being most successful in this market," Sotheby's Tobias Meyer said. "The physical presence of the work is not the primary stimulant - they will want to see it already make a lot of impact on the printed page." That sounds like the see-at-a-glance accessibility of advertising art, which happens to be a prime source for the work of Koons, Prince, Murakami, and a score of other top-selling contemporary masters. It also suggests a kind of art that can just as well be bought on the Internet, and Deitch confirms that this is the case. "We do it all the time," he told me. "People will ask me to send them a digital image of the next available thing by an artist whose work they know and like, and they will buy from that. It's completely normal in our business."

Charles Saatchi, the most influential collector-dealer-exhibitor of contemporary art during the eighties and nineties, is a big user of the Internet these days. Saatchi lives in London, rarely travels to the United States, and knows the art so well that, according to Deitch, he may not always feel a need to see the originals. To a previous generation of

collectors, who cared a lot about a work's physical presence, that would seem like buying blind. "When I arrived, in the seventies," Deitch said, reflectively, "it was still the older model. Collectors were psychiatrists or lawyers - intellectual people, not the social or business élite." They bought mainly through dealers, with whom they built up long-term relationships, and they sometimes had work sent to them on approval and lived with it for a while before deciding to buy. "The art world used to be a community, but now it's an industry," Deitch said. "It's not just a market - it's a visual-culture industry, like the film industry or the fashion industry, and it merges with both of them. Julian Schnabel makes movies, Marc Jacobs does collaborations with artists. We live in an increasingly culture-based economy, and the value of art is in synch with other tangible assets now, like real estate. I try to act responsibly toward the art, but if people offer tremendous amounts of money for it you really can't control that."

Deitch went to Moscow in June, to attend a four-day conference of art professionals on a new art museum, to be built as part of a real-estate development adjoining the Kremlin. (Russians are spending so much on art these days that the overhead displays at Christie's and Sotheby's New York and London auctions now list the bids in dollars, pounds, euros, and rubles.) From Moscow, he flew to Venice, for the Biennale, and then to Art Basel, the most important of the international bazaars that have proliferated in the past decade. For the hedge-fund crowd, this is the modern version of the Grand Tour. "By collecting contemporary art, you become part of a club," Philippe Ségalot told me.

Deitch had shipped a hundred art works to Basel and sold more than half of them in the first three hours after the fair opened. He stayed for a few days and then flew to London, to study the art consigned to the June sales at Sotheby's and Christie's. (The London summer sales are a month later than the New York ones.) London now rivals New York as an international art-buying center. The strong pound lures Americans and others to put important works up for auction there, and British tax law, under which foreign residents pay taxes only on income earned in Britain, encourages Russians, Swedes, Middle Easterners, and others to live part time in London. They can also avoid the post-9/11 visa headache; as Deitch points out, a Russian who plans to spend twenty million dollars buying art doesn't really want to waste several hours in the visa line at the American Embassy in Moscow.

I toured the London auction galleries with Deitch, and also the Gagosian and White Cube galleries - two of each - where Koons and Hirst were showing their recent work. Upstairs in White Cube's Mayfair space, under a spotlight in a darkened room, was the latest Hirst provocation: a human skull covered with 8,601 diamonds. "It's a brilliant publicity stunt," Deitch observed, "which would be of little interest if the price hadn't been so highly publicized." The price was fifty million pounds, or close to a hundred million dollars. (After four months with no takers, it was announced that a syndicate had agreed to buy the skull for the asking price. "We're going to put it on tour for two years in major museums around the world, and then sell it for a lot more," Hirst told me.) In a recent conversation, Deitch wanted me to know that he'd revised his thinking about the skull: "It's a very sophisticated fusion of conceptual art and publicity stunt."

After two days in London, I joined Deitch on a flight to Athens, where he was to work with Dakis Joannou on the installation of a new thematic exhibition. The exhibitions that Deitch has done with Joannou over the past two decades - among them "Post-Human," an extremely influential show whose repercussions are still being felt - have all sought to connect what's going on in art with significant developments in the culture at large. Deitch usually suggests the theme and the title, and writes and produces the catalogue - a striking visual document that extends the show's range beyond Athens and its other European venues. The title of the new show (it opened in September at Joannou's Deste Foundation) was "Fractured Figure." It was being built around recent additions to Joannou's collection, and it centered on what Deitch, Joannou, and a small group of friends, including the artists Maurizio Cattelan and Urs Fischer and the museum curator Massimiliano Gioni, saw as the shattering effects on the collective imagination of recent political and social events - the Iraq war, international terrorism, environmental degradation.

Cattelan and Gioni arrived in Athens the day after we did. We were also joined by Ashley Bickerton, an artist of Jeff Koons's generation who dropped out of the art world fifteen years ago and moved to Bali. He kept right on making art, though (Joannou owns several pieces), and he had agreed to show a new painting and an older sculpture in "Fractured Figure."

Athens was having an extreme heat wave, with temperatures up to a hundred and eleven degrees Fahrenheit. This didn't stop Deitch from taking his early-morning run on Philopappou Hill, with its view of the Acropolis. Bickerton ran with him, and confided to me later that, although he is in good shape, he had trouble keeping up. That evening, Joannou and his wife, Lietta, invited all of us to dinner. We went first to their sleek modernist house in one of the better residential sections, next door to a house they had built for their daughter and her family. The Joannou place has been extensively redesigned to accommodate their ever-growing private collection. A flight of stairs leads down to a gallery (formerly an outdoor swimming pool) containing large and assertive works - sculptures and paintings - by Koons, Prince, Cattelan, and other contemporary-art stars, as well as equally striking pieces by artists who are less well known (Urs Fischer, Paul Chan). The panoply of emphatic and sometimes overpowering images continues upstairs in the living and dining rooms and on two terraces, one of which is dominated by the red version of Koons's twelve-foot-tall "Balloon Dog" sculpture, the other by an Urs Fischer skeleton and two huge bronze figures of a defecating woman and a defecating man, by Chris Ofili. Dakis (as everyone calls him), robust and youthful-looking at sixty-seven, still spends four days a week directing his various enterprises, which include construction, hotels, and the Coca-Cola franchise in Greece and twenty-five other countries, but, now that his and Lietta's four children have grown up, art is his main interest.

From the time that Joannou started collecting seriously, in the mid-nineteen-eighties, he has bought the work of a relatively small number of contemporary artists, and he has bought it in depth - about thirty-six pieces by Koons, for example. Collectors who buy on this scale tend to employ advisers and/or curators, but Joannou relies on his own

judgment and knowledge - with occasional help from Deitch and a few others. He likes to know the artists whose work he's buying, but not just so that he can invite them to dinner. Like François Pinault, Joannou follows an older tradition of patronage. He wants to engage with the artists' thought processes, help them realize ambitious projects, and provide museumlike facilities where their work can be seen by the public.

Dinner was at the ultra-hip Semiramis Hotel, one of five hotels that Joannou owns in Athens, in which the public spaces abound with art from the Deste Foundation or the Joannou collection. In the morning, we were going to the island of Hydra for the weekend, on Dakis's ninety-foot cabin cruiser, *Protect Me from What I Want*. (The name comes from one of Jenny Holzer's aphoristic L.E.D. sculptures.) Bickerton nearly missed the boat; he had been arrested, for unspecified activities, in a late-night bar near our hotel and detained briefly; the night manager had helped to free him, but he had overslept.

After Bickerton absorbed some sea air and several cups of coffee, his resurgent sense of mischief fastened on Deitch, who was dressed, as usual, in one of his Caraceni suits (no tie, but still a suit). "This guy is so uptight," Bickerton announced, hugging Deitch affectionately. "He has an iron rod from his anus all the way to his neck." From time to time, Deitch would withdraw from the others on the boat to have a brief, intense cell-phone conversation, presumably with a client, about the upcoming London auctions. The trip to Hydra took about an hour. We anchored in a cove at one end of the island for lunch, which turned out to be a Greek banquet, served on the fantail. Everyone swam off the boat except Deitch (another source of merriment to Bickerton, who swims like a porpoise), and by late afternoon, when *Protect Me from What I Want* pulled into Hydra's harbor and we loaded our luggage onto donkeys for the ascent to the Joannous' place, about halfway up a steeply terraced hillside, Holzer's message had lost some of its ironic bite.

In the house where the Joannous stay, next door to a slightly larger guesthouse, each of the thick-walled, whitewashed, ancient-looking rooms contains a series of drawings or prints by a single artist. Their bedroom occupies the third floor and has the complete set of Tim Noble and Sue Webster's exquisitely detailed "Joy of Sex" prints, forty-two in all, in a single line, up near the ceiling. Dakis does all the installations himself, and changes them from time to time - he has been buying a lot of contemporary drawings lately. He also showed us his latest project: a small slaughterhouse that he wants to lease, on a cliff over the sea; abandoned decades ago, falling into ruin, and sinister, with primitive meat hooks and bloodstained walls, it had struck him as a venue for temporary, or maybe permanent, installations, and he wanted suggestions about which artists to invite. That evening, sitting on the Joannous' terrace overlooking the harbor, we watched a sound-and-light show with fireworks, reënacting a crucial battle in the Greek War of Independence, with Dakis providing whispered explanations in English. It was one of the few times all day when the conversation was not about art.

The next morning, sitting on the shaded back terrace with Dakis, I asked him if he had thought about the future disposition of his collection, which now includes around four hundred works. "I thought about it, but I decided I would stop thinking about it," he said,

grinning. "I know what I'm not going to do is to make a private museum. The collection will have a different meaning once I'm done with it."

A few weeks later, over dinner in New York, I asked Deitch if he thought that contemporary art was good enough to justify the astonishing prices being paid for it. "But that's a question I wanted to ask you!" he said. "O.K., for me the answer is yes. Of course it would be depressing, when I'm so involved in it, to think this period in art is nothing like the sixties, or the forties, or the years around 1910. But I do think contemporary art is exciting now. One thing these new artists have is a tremendous respect for their craft, for the way things are made. With some of the painters who had great success in the early eighties, their paintings weren't very well made. But people like Koons - even though he doesn't do the actual painting himself - are masters of their medium. I definitely believe their work will hold up."

As for the current craziness in the market, the next big test will come this month, with the modern and contemporary sales at Sotheby's and Christie's. Both houses have committed themselves to high guarantees and stand to lose heavily if the prices fall short. Several art professionals had told me that today's art market was different from any they had seen - more broadly based, more international, more competitive. Deitch agrees that it's bigger, but he's not so sure it's different. "There's been a real and substantial increase of demand in the art market - many more people looking and buying," he said. "But there's no market, ever, that didn't eventually go down. Two things could happen. One, the art market could collapse under its own weight - if auction estimates become too inflated, for example, and a high percentage of works are unsold, and the market gets spooked. What's more likely is that something external could happen, like the collapse of several more big hedge funds. I do think the market will go down at some point, but then it's going to go up again." Things only get truly dangerous, Deitch had said earlier, when there's a lot of leverage involved - people buying art with borrowed money, as the Japanese were doing in the nineteen-eighties.

Deitch feels that the influence of the hedge-fund buyers has been exaggerated. "What I find most relevant," he said the other day, "is that there's been a real increase in serious collectors who are buying over a longer term. Dakis, Pinault, Cohen, Eli Broad - they're not buying to sell next year, and they're the real foundation of the market. Yes, you can have a downturn where some of the speculators want to bail, but it won't affect these people. Meanwhile, there's a vastly increasing market for truly innovative art, and I think the demand will increase more than the supply. So I'm very confident over the long term."

In London, we had both been struck by a Gustave Courbet nude that was offered at Sotheby's nineteenth-century European painting sale on June 27th. Painted in 1865-66, when the artist was at the peak of his artistic power, it showed a robust red-haired girl in the same lushly sensual pose that Courbet adapted for his larger "Woman with a Parrot" (1866), which hangs in New York's Metropolitan Museum. Deitch had it taken to a private room, where we examined it in detail. "This is probably the last great Courbet nude in private hands," Sotheby's nineteenth-century expert told us. "It hasn't been on the

market for a long time - the same owner has had it for the last eighty years." Deitch listened attentively, gazing at the painting, smiling and nodding. As we were leaving, he said, "Of course, this blows away everything we've seen today." Sotheby's estimate for the painting was three to five million dollars, and Deitch said he might try to buy it - for a client, or maybe even for himself.

Toward the end of our dinner in New York, I inquired about the Courbet. He told me it had sold for just below the low estimate of three million. Could he explain how a picture of that importance could go for so little, compared with the prices being paid for contemporary art?

"O.K.," Deitch said. "Does a Warhol 'Car Crash' for seventy-two million make any sense, in other words, against that Courbet for three million? Absolutely. There are disequilibriums in the market, sure, but in the long run things tend to smooth out. Warhol's situation relative to other artists will get readjusted. But there's a very good reason why he's rated so high now. No other artist has changed the way people make art and think about art more than Warhol. With artists from the ages of twenty to sixty, Warhol is the No. 1 influence."

Deitch had not bid on the Courbet after all; he had tried to interest four different people in the painting, but for one reason or another none had responded. "I should have bought it, because it sold low," he said, somewhat ruefully. "But that would have meant coming up with three million in cash within thirty days, and I wasn't in a mood to take the risk. Ever since the Koons 'Celebration' thing, I've been very conservative financially - I don't want to get into that kind of trouble again. But I'm going to find out who bought the Courbet. It's a great picture, and it may come my way again." A week later, he did find out. "You'll never in the world guess," he said on the phone, sounding exultant. He wouldn't tell me who the buyer was, but he let drop that it was someone who was part of his own story, and my wife, who is an art-world sleuth, made an educated guess that turned out to be right: the buyer was Jeff Koons. Apparently, in today's art market, it takes one to know one.

PHOTO (COLOR): Deitch test-drives a project devised for the Art Parade, which he helps finance with the proceeds of his business as a dealer. "The art world used to be a community, but now it's an industry," he says.

PHOTO (COLOR): Deitch during the Art Parade, September, 2007. "One of my missions is to keep the radical downtown tradition alive," he says.

~~~~~

By Calvin Tomkins