

An Artistic View of Value

by SYDNEY MAYERS

IN 1926, the Reverend Theodore Pitcairn, a Swedenborgian minister whose avocations were (and are) art and philanthropy, purchased a picture. As he describes the event, "I was walking down Fifty-Seventh Street in New York, and saw it in the window of a gallery. I liked it and bought it." What he bought was a century-old painting by Claude Monet, and the price paid for it was \$11,000.00. Though acquired purely for artistic pleasure, it has proved to be an extraordinarily profitable investment.

When Mr. Pitcairn took his stroll through New York's art center forty-odd years ago, he certainly exhibited a discerning eye, impeccable taste, and remarkably sound artistic judgment. Recently he decided to dispose of the picture, and placed it for auction with Christie's of London, where after lively bidding it was sold for the equivalent of \$1,411,200.00. The painting, of course, was Monet's masterwork, *La Terrasse à Sainte Adresse*, which is now on view at the Metropolitan Museum of Art, a number of whose patrons joined to make the transaction possible.

As a result of the highly successful auction sale, New York's art-loving public is privileged to enjoy an outstanding example of impressionism, and the good Reverend Pitcairn has a huge fund on hand to apply to his noble spiritual and cultural endeavors. All of this is most interesting, and indeed heartwarming. But to the student of political economy there must occur a provocative question: how was the "value" of the Monet masterpiece determined? Who concluded it was "worth" well over a million dollars?

What was the basis for the assessment of its "price" the day it was sold?

Clearly it was not the cost of production, for in 1867 a few sous sufficed to obtain the oils, brushes, and canvas the artist required, and his labor was ill-paid. (It is said that Monet, needing money at the time, sold *La Terrasse à Sainte Adresse* for 400 francs, or \$80.) Nor was it the painting's economic utility, a quality unconnected with its artistic "usefulness." And it was not the picture's exchangeability that occasioned its sales-price, since it is value which determines exchangeability, and not the other way around!

The simple and logical fact is that value is a subjective conclusion. In short, the value of a work of art, like that of any other article of wealth, is a direct reflection of what someone is willing and able to pay for it on the market-place. (Incidentally, an auction room is the best example of a market-place that could ever be found.) The willingness to pay, which obviously has to be accompanied by economic ability to do so, stems inevitably from a desire; and is measured against the relative difficulty or ease of acquiring the desired item at the time and place concerned. A magnificent Monet is much desired, and is not easy to come by these days; hence those who covet one must bid higher and higher—until the maximum of willingness-to-pay is reached.

Speaking of liberty, Thomas Paine said: "What we obtain too cheap, we esteem too lightly." Economically speaking, it might well be said: What we desire very much, we value very highly. Only abundance keeps value down—and Monets are rather rare.

