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The ineffable NFT is good as Gold(ie)



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Non-Fungible Tokens (NFTs) are of the moment, either loved or abhorred, but neither better nor worse than they should be, irrespective of the pear-clutching snobbery of gatekeepers who never understood the difference between connoisseur and investor. They are new and anything new has its value, even if it's a bit slapdash because it's early. Few things concentrate the attention so much, in this age of distractions, as large sums of money. To give a thoroughly inadequate elevator pitch, nutshell explanation for anyone who came in late: and NFT uses blockchain technology to prove ownership of virtual assets (in the financial and the coding sense), usually digital-like videos, memes, tweets, and photographs. These are minted as unique files on a digital ledger of the blockchain, which is an unfalsifiable record that you own access to the NFT, a key if you will, a key that can be traded on the market.

NFTs have their philosophical and environmental issues, and seem eminently suitable for money laundering, but if one accepts that the mainstream art market is grossly inflated anyway, that conceptual and digital art negate the need of the physical object (Lucy Lippard's "dematerialized object"¹), and that authenticated editions have value, then much of the snobbery that attaches itself to NFTs is difficult to understand. An international 2021 survey revealed 39% of Millennials and 47% of Gen Z have invested in cryptocurrencies and NFTs.² These are the kids that disrupted global banking by decentralizing and democratizing the stock market and now they've come for the art world; it's basically a more aesthetic form of cryptocurrency and no one mocks Bitcoin or Ethereum these days, despite the laughable boosterism.

In February this year Webb's auction house, based in Auckland, Aotearoa New Zealand and arguably the country's biggest, sold two glass plate negatives as NFTs, accompanied by "a framed contact print of the image and the original glass plate negative" presented in a custom-built pine box.³ The images were by the artist Charles Frederick Goldie (1870–1940) — *Charles Frederick Goldie at His Easel* and *Charles Frederick Goldie in His Studio*, taken between 1910 and 1920 by the Robert Farnell Studios, and which sold for NZ\$ 51,250 and NZ\$76,250 respectively. This is considerably more than the estimate for the plates themselves at NZ\$5,000 and NZ\$8,000. This is perhaps the point.

At this juncture, in order to explain the contextual frisson involved, it is important to understand the specific niche Goldie occupies in Aotearoa New Zealand art history as what passes for an Old Master. As a painter, trained, like so many Antipodean artists of the time, at the Académie Julian in Paris, Goldie was an unexceptional, even mediocre, though popular dauber. He made his mark, however, in the lucrative local market for Māori portraiture. This gives his work prestige among Aotearoa New Zealand's indigenous people for whom having accurate representations of their ancestors outweigh its technical merits, and by extension gives them the distinction of national treasures.⁴ It also appealed to the colonial, and, to a lesser extent, international markets, for whom it

¹ Lucy Lippard, *Six Years: The Dematerialization of the Art Object From 1966 to 1972*, New York: Praeger, 1973, pp. 263–264

² Jack Caporal, 'Study: What Are Gen Z and Millennial Investors Buying in 2021?', *The Motley Fool*; <https://www.fool.com/research/what-are-gen-z-millennial-investors-buying/>

³ <https://auctions.webbs.co.nz/m/lot-details/index/catalog/425/lot/94210/RUPERT-FARNELL-STUDIOS-Charles-Frederick-Goldie-in-His-Studio>

⁴ See Roger Blackley, *Goldie*, Auckland: Auckland Art Gallery and David Bateman Ltd, 1997; Michael King, 'Moko and C. F. Goldie', *Journal of the Polynesian Society*, vol. 84, no. 4, 1975, pp. 431–440

was mostly painted. The former saw it as a necessary accessory to their nascent nationalistic impulses. The latter had an insatiable thirst for the exotic and the wrinkly tattooed faces of Māori elders lost in reverie or quietly napping fitted the bill.⁵

But of course, these NFTs aren't images of those paintings. To suggest the destruction of such images, which contain an element of the spirit of the sitter as do the paintings, would be considered sacrilege in terms of Māori *tikanga* (cultural practice), an attack on the *mauri* (life force) of the ancestor contained within. René Magritte's admonition, "*Ceci n'est pas une pipe*"⁶ holds no smoke in this context, but does it for an image of the artist himself? "The famous pipe," he says. "How people reproached me for it! And yet, could you stuff my pipe? No, it's just a representation, is it not? So if I had written on my picture 'This is a pipe', I'd have been lying!"⁷

There is (or is there?) somehow a difference when dealing with the image of a Pākehā (European New Zealander) painter. And yet some cross-pollination—some Māori I have talked to find the proposition awkward because of Goldie's relationship with them. There is also, perhaps, the additional irony that Goldie as simulacrum has a previous history in the form of the notorious New Zealand art forger Karl Feoder Sim (1923–2013), who changed his name by deed poll to Carl Feoder Goldie so that his versions of the paintings and drawings of the original C. F. Goldie acquired a certain dubious legitimacy.⁸ There is also the issue that these photographic plates are irreplaceable heritage objects, which will likely protect them from going under the hammer in a more literal sense, wherever they are now. Or will it? There is no real legal recourse in New Zealand heritage law to prevent the destruction of antiques as private property. The brutal iconoclasm of Daesh (ISIS) might, in a glissading lapse of taste, be regarded as a kind of artwork in its own right—a moment of Latourian iconoclasm.⁹ There is a long history of vandalism of historical art discussed in all earnestness as acts of political expression. Problematic monuments are being torn down in the West as I type. What's the difference?

Webb's director of art, Charles Ninow was reported by Radio New Zealand as saying, "We did this auction because we could see the potential of the NFT space and I think that it's fair to say even we are astounded by the result."¹⁰ Included with the original package as a piece of theatre or, perhaps, conceptual art, was a small brass hammer, which Ninow puckishly had suggested might be used to smash the glass negative, as a statement about whether the Benjaminian aura of artistic authenticity¹¹ lay in the object or in the concept of the work. "Perhaps you might want to make

⁵ See Roger Blackley, *Galleries of Maoriland: Artists, Collectors and the Māori World, 1880-1910*, Auckland: Auckland University Press, 2019

⁶ René Magritte, *La Trahison des Images* (1929), Los Angeles County Museum of Art

⁷ Harry Torczyner, *Magritte: Ideas and Images*, Richard Miller trans., New York: H. N. Abrams, 1977, p. 71

⁸ See Karl F. Sim, *C F Goldie and the Creative Art of Forgery*, London: Lulu, 2003; Ian Dougherty, *A Good Joke: The Live and Crimes of Notorious New Zealand Art Forger Karl Sim*, Dunedin: Saddle Hill Press, 2019

⁹ Iconoclasm is when there is a clear intent for the destruction or the demise of an image. Iconoclasm is when there is an uncertainty about what is committed when an image, from science, religion or art is being smashed. See Bruno Latour, *Iconoclasm: Beyond the Image Wars in Science, Religion and Art*, Cambridge MA: MIT Press, 2002

¹⁰ Nicolas Pointon, 'Digital images of Goldie sell for \$127k at New Zealand's first NFT auction', *RNZ*, 2 February 2022; <https://www.rnz.co.nz/news/national/460726/digital-images-of-goldie-sell-for-127k-at-new-zealand-s-first-nft-auction>, accessed 3 February 2022

¹¹ Rainer Rochlitz, *The Disenchantment of Art: The Philosophy of Walter Benjamin*, trans. Jane Todd, New York: Guilford, 1996, p.48

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it permanently digital. Smash it? Smash it,” Ninow told NewsHub.¹² Think of it as a variant on Robert Rauschenberg’s painstaking rubbing out of a De Kooning drawing in 1953.¹³ “In hindsight,” Ninow told Radio New Zealand, “giving people a hammer was a slightly too provocative way of explaining that. Everyone will be pleased to know we will not be including a hammer.”¹⁴

Only the humourlessly pretentious would try to make something more sinister and profound out of this than a bit of showmanship—which, of course, *Hyperallergic* predictably did. They interviewed blogger Molly White of Web3 is Going Just Great—a blog that the hacks, scams and generally bad ideas haunt, like many crypto and web 3.0 projects. White had tweeted about the auction, “I suspect,” she told *Hyperallergic*, “the whole thing was a calculated move by the auction house. They knew that offering a hammer and suggesting the buyers smash a historical artifact to make the project ‘permanently digital’ would be provocative and generate interest. They seem to have been successful, too—both auctions closed at prices far above the estimates—but certainly at the cost of being able to claim to be motivated by their love of art rather than money.”¹⁵

Oh, sweet summer child, *pas possible!* Such charming naiveté! Being motivated by money when your job is to sell on behalf of a client is a reality of the business. That, however, doesn’t reflect poorly on their love of art, nor does it mean they can’t be playful. One suspects the idea was inspired by Australian auction house Lloyds’ June 2021 auction of the Rose Stereograph Company’s collection of 10,000 historical photographs going back to the 1880s, accompanied with NFTs to establish provenance by blockchain.¹⁶ Webb’s was dabbling its toes in the water, but with the intriguing twist of making the NFTs, indeed the whole performance, an artwork in its own right.

We are now, therefore, in the territory of auction houses making, or at least collaborating, in conceptual art pieces. The most obvious example of this is when in 2018, Banksy in a moment of spectacularly miscalculated hubris, triggered a thoroughly trite painting to shred itself at the dramatic moment in a Sotheby’s auction. Presumably this was supposed to be a middle finger to the art establishment, but all it did was cement the artist as a commodity when it was resold three years later for US\$25.4 million dollars.¹⁷ Sotheby’s had to be in on that stunt (and clearly had a better idea of how it would turn out than Banksy did)—they would have failed spectacularly at due diligence in their condition inspection not to notice a shredder and battery pack in the frame. It might have been a bomb. If you still believe they weren’t conscious, willing collaborators, well then, I have a Leonardo da Vinci *Salvator Mundi* to sell you.

¹² Simon Shepherd, ‘New Zealand auction house becomes the first to auction NFTs’, *NewsHub*, 26 January 2022; <https://www.newshub.co.nz/home/new-zealand/2022/01/new-zealand-auction-house-becomes-the-first-to-auction-nfts.html>; accessed 3 February 2022

¹³ Robert Rauschenberg, *Erased de Kooning Drawing*, 1953, San Francisco Museum of Modern Art; <https://www.sfmoma.org/artwork/98.298/>

¹⁴ Pointon, op cit.

¹⁵ Valentina di Liscia, ‘Auction House Sells Glass Negatives As NFTs And Tells Buyers To “Smash” the Originals’, *Hyperallergic*, 1 February 2022; <https://hyperallergic.com/708792/auction-house-sells-glass-negatives-as-nfts-tells-buyers-to-smash-the-originals/>; accessed 3 February 2022

¹⁶ ‘Massive historic photo collection to be auctioned—with NFTs!’, *Inside Imaging*, 28 June 2021; <https://www.insideimaging.com.au/2021/massive-historic-photo-collection-to-be-auctioned-with-nfts/>

¹⁷ Sharon Pruitt-Young, ‘A half-shredded Banksy piece is auctioned for \$25.4 million, a record for the artist’, *NPR*, 14 October 2021; <https://www.npr.org/2021/10/14/1046134451/banksy-shredded-auction-sold-record>

For some reason *Hyperallergic* chose to describe Goldie as a “polemical artist.” He wasn’t. Unlike the Bohemian immigrant artist Gottfried Lindauer (1839–1926), who, coming from a culture that Vienna had done its best to systematically erase, may have had some polemical intent while painting Māori in New Zealand. Whereas Goldie, who was friendly with most of his Māori sitters was mainly in it for the money in the market for the exotic. Much like the people who create NFTs.

NFTs have surged in popularity and price in the past year. Nor is Webb’s unusual in pursuing that potential. In a recent online auction run by Christie’s, a particularly ghastly, aesthetically low stakes and disposable collage by Beeple (American graphic designer Mike Winkelmann) fetched \$US69 million in 2021.¹⁸ Why should one reach for the smelling salts when the aforementioned ‘Leonardo’ went under the hammer for US\$450.3 million?¹⁹ Of course, in the case of NFTs, much of the excitement is down to a potent cocktail of novelty and wealthy collectors in COVID lockdowns craving an adrenalin fix. However, the rapid rise of this new class of commodity assets has attracted criticism and scepticism, though this seems to come from people who either don’t understand the technology, don’t understand the art world, or don’t understand both. However, the rise of this new asset class has attracted its fair share of criticism from sceptics.

Jeffrey Halley, a senior market analyst with the Canadian-based foreign exchange company OANDA, told Radio New Zealand in January that the rise of NFTs was a result of low interest rates and the conditioning of people to buy almost anything. He also said that inflation and the inevitable move by the US Federal Reserve to start normalizing interest rate policy would raise the cost of credit, negatively impacting crypto and NFT sales, and that the intangible nature of NFTs carried significant risk: “This is complete folly,” Halley said. “You can’t use it... why would you buy something you can’t use?”²⁰ You mean like art? There are plenty of Monets and Van Goghs locked away in vaults that no one ever sees, not even their owners. It’s a facile argument — with a wall-mounted screen you can use them as much as you might use a Netflix subscription. All is not, however, plain sailing for auction houses in this wild, unregulated zone of big money and few rules. One Canadian company is suing Sotheby’s and the artist Kevin McCoy over the sale of an early NFT.

Regarded by many as one of the first NFTs, if not the very first, *Quantum* was minted in May 2014. In June 2021 it sold for US\$1.47m in Sotheby’s landmark ‘Natively Digital’ auction. But on 1 February this year the Canadian company Free Holdings — a dubious entity apparently consisting of one “sole member” — filed in the district court of southern New York, claiming to be *Quantum*’s rightful owner.²¹ This individual argued that they had secured the rights to the work seven years after it was created when McCoy had, they argued, let his ownership expire. They also named as a defendant the tech start-up Nameless, which provided the condition report on the digital artwork prior to the auction.

¹⁸ Jakob Kastrenates, ‘Beeple sold an NFT for \$69 million’, *The Verge*, 11 March 2021; <https://www.theverge.com/2021/3/11/22325054/beeple-christies-nft-sale-cost-everydays-69-million>

¹⁹ Katya Kazakina, ‘A \$450 Million Da Vinci is Aboard MBS’ Yacht, Artnet says’, *Bloomberg*, 11 June 2019; <https://www.bloomberg.com/news/articles/2019-06-10/da-vinci-s-450-million-masterpiece-kept-on-mbs-s-yacht-artnet>

²⁰ ‘Market analyst: “NFTs are complete folly”’, *RNZ*, 30 January 2022; <https://www.rnz.co.nz/national/programmes/sunday/audio/2018828598/market-analyst-nfts-are-complete-folly>

²¹ Wallace Ludel, ‘Sotheby’s and artist Kevin McCoy sued over sale of early NFT’, *The Art Newspaper*, 5 February 2022; <https://www.theartnewspaper.com/2022/02/04/sothebys-kevin-mccoy-lawsuit-quantum-nft>

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The issue arises because *Quantum* was originally minted on NameCoin, a blockchain software that, like an Internet domain name, needs to be renewed every 250 days, meaning that under normal circumstances the NFT could be claimed by someone else after that time. According to Nameless' condition report, however, "this specific NameCoin entry was removed from the system after not being renewed, and was effectively burned from the chain," making it impossible to re-register.²² Sotheby's is vigorously defending the claim. In fairness there are a lot of cowboys out there trying to cash in by turning any old picture or screengrab from the Internet, often without any legal right to them, into NFTs, from memes and social media posts to images lifted from Etsy, Spotify album art, and art gallery online catalogues. Naturally one would be a fool to get involved with those, though it isn't dissimilar to Richard Prince's shenanigans with Instagram.²³ Artist Addie Wagenknecht describes this as "showing us in real time what disaffected white bros trafficking in meme culture looks like."²⁴

Many museums, including the Hermitage in St. Petersburg²⁵ and the British Museum²⁶ are just as bad, having simply NFT-ized high resolution photographs of objects from their collections. To what end? As glorified postcards? Well Duchamp might have done something interesting with that. On the other hand, some people are taking the opportunity to create new, unique digital artworks in the NFT format, with slightly more effort than Webbs. For a scene on the periphery of the international artworld that has significant implications, there is an NFT bubble forming like the dotcom one before it and inevitably a market correction sometime in the not-too-distant future. Arguably the path to securing enduring value for NFTs is to create them as unique or limited-edition artworks with genuine aesthetic appeal and cultural value that takes advantage of the medium as an asset rather than a liability.

One need not look far. The process of what art historian Frank Popper has termed the "virtualization" of art has been in play since at least the end of the 1980s.²⁷ The standard has already been set by digital and new media artists, or by digital and new media artists in collaboration with traditional artists — Lisa Reihana, David McLeod, Deena Abdelwahed, Ash Koosha and Jess Johnson come to mind. There is much to be said for how NFTs can bring a positive influence to bear on the artworld. The environmental issues are far from insurmountable. Proof of Work (PoW) blockchain processes like Ethereum and Bitcoin are obscenely energy hungry, but the newest NFT studios are

²² Ibid.

²³ Lizzie Plaugic, 'The story of Richard Prince and his \$100,000 Instagram art', *The Verge*, 30 May 2015; <https://www.theverge.com/2015/5/30/8691257/richard-prince-instagram-photos-copyright-law-fair-use>

²⁴ Tim Schneider, 'Will NFTs Revolutionize the Art Market or Repeat Its Greatest Failures? These 4 Factors Will Determine Their Fate', *artnet*; <https://www.theverge.com/2015/5/30/8691257/richard-prince-instagram-photos-copyright-law-fair-use>

²⁵ Taylor Dafoe, "Russia's Hermitage Museum Will Auction Off NFTs of Prized Works by Leonardo, Van Gogh, and Other Artists in Its Collection", *artnet*, 27 July 2021; <https://news.artnet.com/art-world/hermitage-museum-auctioning-nfts-1992830>

²⁶ 'The British Museum to launch NFTs, as the craze continues through 2022', *Yahoo News*, 31 January 2022; <https://sg.news.yahoo.com/british-museum-launch-nfts-craze-020053061.html>

²⁷ See Frank Popper, *From Technological to Virtual Art*, Cambridge MA: Leonardo Books and MIT Press, 2007; Joseph Nechvatal, 'Frank Popper and Virtualised Art', *Tema Celeste Magazine*, Winter 2004, Issue 101, pp. 48–53; 'Origins of Virtualism: An Interview with Frank Popper conducted by Joseph Nechvatal', *CAA Art Journal*, Spring 2004, pp. 62–77

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gravitating to Proof of Stake (PoS) blockchains like Tezos, Peercoin, and CENNZnet, which are orders of magnitude more energy efficient. The transition is inevitable with Vice-Chair of the European Securities and Markets Authority Erik Thedéen calling in early 2022 for the European Union to ban PoW in favour of PoS due to its lower energy consumption and reduced carbon emissions.²⁸ Lessons can also be learned from the failings of music streaming services as to how better reward artists for their work.

Prominent New Zealand artists have been agitating for some time for Aotearoa New Zealand to introduce artist resale rights to the secondary market similar to that in the EU.²⁹ The conversation resurged in 2020 with a good chance of the government taking it seriously. On the one hand, that might encourage auction houses to explore the possibilities of NFTs to squeeze more out of safely long-dead artists. On the other, the NFT marketplace TreeTrunk has developed smart contracts that collect and distribute royalties to artists for NFTs listed on the secondary market. They also use “crypto-lithography” to authenticate which copies are officially linked back to the original NFT.³⁰ In another curious twist, with the Russian invasion of Ukraine, NFTs are being used like war bonds.³¹

To reiterate, none of this is new, and as if to underscore that, one of Yves Klein’s *Immaterial Zones* (*zones de sensibilité picturale immatérielle*) (1959–62) is coming up for auction at Sotheby’s.³² These *Zones* are purely conceptual pieces that have no tangible real-world existence and were purchased with a weight of pure gold which was then ceremonially thrown into the Seine River. The only concrete evidence of its existence was a receipt, drawn up to look like a banker’s cheque, which the collector could retain for future resale, or burn as part of the ritual so that the *Zone* would cease to exist upon their death.

What has been will be again, and what has been done will be done again; there is nothing new under the sun.

Ecclesiastes 1:9

²⁸ Tom Bateman, ‘EU regulator calls for a ban on proof of work Bitcoin mining to save renewable energy’, *Euronews*, 20 January 2022; <https://www.euronews.com/next/2022/01/19/eu-regulator-calls-for-a-ban-on-proof-of-work-bitcoin-mining-to-save-renewable-energy>

²⁹ Te Manatū Taonga New Zealand Ministry for Culture and Heritage, ‘A Resale Royalty Right for Visual Artists’, Policy Discussion Document, 2007; <https://mch.govt.nz/sites/default/files/ResaleRoyaltyPublicDiscussionPaper.pdf>; ‘Artist Resale Royalties’, *The Big Idea*, 1 December 2020; <https://www.thebigidea.nz/stories/media-releases/229087-artist-resale-royalties>; Tom Pullar-Strecker, ‘Art collectors should pay artists each time works bought and sold, Government told’, *Stuff*, 12 January 2020; <https://www.stuff.co.nz/business/118618938/art-collectors-should-pay-artists-each-time-works-bought-and-sold-government-told>

³⁰ Annz Santos, ‘TreeTrunk introduces a reliable royalty payment system for artists’, *Smart Liquidity*, 27 February 2022; <https://smartliquidity.info/2022/02/27/treetrunk-introduces-a-reliable-royalty-payment-system-for-artists/>

³¹ Dorian Batycka, ‘As Members of the Crypto Community Rally Behind Ukraine, NFTs Have Suddenly Become 21st-Century War Bonds’, *Artnet*, 1 March 2022; <https://news.artnet.com/market/war-bonds-crypto-art-2079282>

³² Kabir Jhala, ‘The original NFT? Sotheby’s to offer a receipt for an invisible work by Yves Klein for €500,000’, *The Art Newspaper*, 23 March 2022; <https://www.theartnewspaper.com/2022/03/22/sothebys-selling-receipt-invisible-yves-klein-work-paris>