LIBIDINAL ECONOMIES: ART IN THE AGE OF BULL MARKETS

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ON ORIGINS AND AFTERWARDNESS TOWARDS A THEORY OF LIBIDINAL AESTHETICS

Michael Moshe Dahan

"The development of money is the striving towards the ideal of a pure symbol of economic value which is never attained."

—George Simmel, *The Philosophy of Money*

"…film is the first of the arts that has its roots in consciousness as we know it."
—Hollis Frampton, *Hollis Frampton (nostalgia)*

"I'm stepping through the door. And I'm floating in the most peculiar way..."
—David Bowie, *Major Tom*

I: August 15, 1971 – Floating Past Convertibility

When all was said and done, the gold standard died on that day as the dollar began to float into the void—unmoored from any remaining base, untethered from ground control for good. Where did that tether lead? And why was the greenback uncoupled from its base? To locate the origin of its expiration, we might recall that the authentic surprise at the heart of Richard Nixon's presidency, the frightful one for which we could not have been prepared, was not actually in our collective memory at all. Rather, it's one we borrowed *from* him. One that "Slick Rick" had constructed out of misplaced desires—ours for a past that might have led to a better future and his for another presidency. But it's lodged in there now, waiting to be released by the neurotic's reminiscence and probably not for the last time. Because now, instead of occurring as fright, it appears as anxiety, or even still as exhilaration.

As he sat before what Hollis Frampton would term the 'polymorphous camera'[1] Nixon, who had a dubious relationship with recording devices of all sorts, addressed a nation longing for a better past—one of economic and political supremacy bolstered by a clear Manichean world-view. During the president's first term in office, inflation outpaced economic growth, making American goods less competitive overseas and leading to unprecedented balance-of-payment trade deficits. Add to that the overabundance of U.S. dollars overseas caused by outlays—bolstered by a zealous production of paper currency—for the Marshall Plan, Johnson's Great Society programs and the Vietnam War. An unfortunate result of this confluence was the waning confidence on the part of international trade partners—who held this plenitude of dollars—that the U.S. actually had the reserves to support the convertibility of paper money into gold (as dictated by the Bretton Woods Agreement).[2]

Nixon assured the populace that by finally uncoupling the dollar from gold he was looking out for their jobs, addressing mounting inflation and the value of the dollar in one fell swoop. Only afterwards would his notorious oval office recordings reveal he was speaking merely half the truth. Without addressing unemployment, he was sure to lose the upcoming election. Price inflation and the falling value of the dollar, however, were quite another matter altogether—and less of an immediate concern for "Tricky Dick." In actuality, his was an attempt to stem a run on gold reserves and circumvent the inherent regulatory bounds of an economic reality principle that functioned as the only remaining limit on the volume of paper money the U.S. Treasury could generate. Subsequently, inflation continued to soar through the seventies, and the supply of dollars bloated as the value of the dollar fell.

Until that moment, the dollar's value had been nominally stabilized by a given quantity of gold ($35 to the troy ounce). By severing the dollar from its last connection to gold, by uncoupling it from any index of a tangible commodity, Nixon inaugurated the longest period of fiat currency in US history. One by which money has been assigned value by nothing more than government decree; a consensus of faith in the nation's abilities to pay its debts, a purely dematerialized concept, "a system of floating currency regimes that has dominated the world economy ever since."[3] To follow the specter of gold forward to our own moment—and accounting for inflation— nearly $10,000 would be required to purchase a single ounce of gold were the dollar recoupled to the stock of gold reserves currently held by the United States.

The fiat construct of currency, the instrument with which debt is now paid, is literally backed by trust: an agreement that these tokens

1 Hollis Frampton, 'For a Metahistory of Film,' Circles of Confusion, op. cit., p.111.

2 A monetary order established after World War II tying international currencies to gold and establishing both the International Monetary Fund and the World Bank.

for our faith—these coins and paper money, the treasury bonds, the future payments of interest, the virtualized transactional signals and bits—are imbued with value. It's a self-determining, self-propagating, tautological spiral in that the value of the currency cannot exist without the mass consensus of faith that supports the agreement that the currency has value; and on it goes, around and around.

Nixon's uncoupling—announced in 1971—established a de-facto floating currency regime by 1973. As the volume of dollars in circulation climbed along with inflation and unemployment, the value of the dollar floated downward taking world markets on a two-year dive that concluded at the end of 1974 with a loss of almost half their value. In severing the dollar's ties to gold, Nixon—in a single stroke—conjures both what has been forgotten and repressed—the specter of currency's origin. We should not, however, over-determine our sense of longing for the past. That's the thing about nostalgia; it functions both as a sentiment of displacement and "a romance with one's own fantasy."[4] It is the project of libidinal aesthetics to trace that origin—to map the implications of that form moving forward through historical, theoretical and aesthetic production—without surrendering our understanding of its spectral nature as an unassimilable event of the past that continues to reappear.

Completed the same year as Nixon's announced cancellation of the Bretton Woods Agreement, Hollis Frampton's *(nostalgia)* considers the confounded temporality of a similar kind of phanstasmatic longing, prying open a space between the afterwards of language and the before of image in an effort to articulate the operation that may link them. We might assume that what precedes the image is inevitably the thing in and of itself, material and solid—the grounding base. Yet, we cannot know this fact until a re-presentation is before us. Featuring the voice of Michael Snow, Frampton's disjuncture between text and image—an *afterwardness* of language—compels us back with longing to the thing itself, to an object with presence outside the photograph, but always through the dematerializing index of a burning picture. We might recall each of (*nostalgia*)'s burning images and endow them belatedly with new meaning, but they are impossible to assimilate without the structural disjuncture that prevents them from becoming fixed. What Frampton is working towards is a certain model of consciousness "which is a kind of irreducible condition of approaching"[5] that both deploys and runs afoul of the limits of representation.

In Michael Snow's *Wavelength* (1967), a similar fluctuating tension against the limits of the frame emerges as a boundary beyond which narrative and (wave) photograph are propelled by a distension of time as a kind of "procedural auto-erotic asphyxiation."[6] Completed in the era of escalating race riots and growing fatigue with the Vietnam War, *Wavelength* features Hollis Frampton stumbling into the frame of Snow's camera only to collapse in a portrayal of a dead body whose presence is uncoupled from any coherent past. Both *Wavelength* and *(nostalgia)* struggle against the binarism of representation and its other through a temporal disjuncture that attempts to exceed the frame but manages only to reinforce it. The problem of representation, as we might find, would not be its limits but its maze-like abundance. We have taken up these artworks to examine their operative modes against the trajectory of economic structures that have determined the transition of money from its basis in convertibility to gold, to its uncoupling from any such standard.

In the pursuit of formulating a theory of aesthetics generated in the chiasmus between historic-economic conditions and a consideration of consciousness as an unfolding of internally-efflorescent transmutations, we are answering a call made by Freud himself—perhaps not strictly in full awareness of the implications of his request. "The consideration of these cases and situations," he writes, "which have a yield of pleasure as their final outcome, should be undertaken by some system of aesthetics with an economic approach to its subject-matter."[7] Freud makes his adumbration shortly after the First World War, as most of the world is struggling to resume its adherence to a true gold standard, the most regulative of all attachments to the precious metal. From what vantage point can we frame a position for the artist, writer or philosopher to make their intervention—to take up such "cases and situations" as we approach a theory of libidinal aesthetics? In defiance of what Lacan would refer to as the "problem of cause [that] has always been an embarrassment to philosophers,"[8] and from the afterwardness of our belated starting point, we look back for an origin. In doing so, we anticipate the impossibility of fixing it, hoping at the very least to trace what constitutes the nucleus of a theory that we might only apprehend by arriving to it just as it moves on; as it expands or immolates itself from its own core of plenitude.

II: 1971: Towards the Lack of Lack

Elaborating his initial 'economic' model of the mental apparatus in order explain how pleasure in one register might appear as displeasure in another—*while maintaining present in both*—Freud derived the concept of the death drive in *Beyond the Pleasure Principle*, perhaps his most

3 David Graeber, *Debt: The First 5000 Years*, New York: Melville House, 2011, p. 53.

4 Svetlana Boym, "Nostalgia and Its Discontents," *The Hedgehog Review*. Summer, 2007, Vol.7.

5 'An evening with Hollis Frampton', 8 March 1973. Sound Recordings of Museum-Related Events. 70.22. The Museum of Modern Art Archives, New York. Quoted in Rachel Moore, *Hollis Frampton (nostalgia)*, London: Afterall Books, 2006, p. 4.

6 Elizabeth Legge, *Michael Snow Wavelength*, London Afterall Books, 2009, p. 18.

7 Sigmund Freud, "Beyond the Pleasure Principle," in *The Freud Reader*, ed. Peter Gay (New York: W.W. Norton & Co., 1989), p. 601.

8 Jacques Lacan, *The Four Fundamental Concepts of Psychoanalysis: The Seminar of Jacques Lacan Book XI*, Ed. Alan Sheridan. Trans. Jacques-Alain Miller, (New York: W.W. Norton & Co., 1978), p. 21.

speculative but lasting formulation. The death drive emerges in his revised 'structural' model as a destructive impulse that labors to expend the highest level of excitation towards the aim of returning tension to a zero point. While high levels of excitation may be experienced as displeasure in the conscious mental apparatus, they are simultaneously pleasurable in the unconscious one. This primary "tendency towards the radical elimination of all tensions…and…[the] search for unpleasure"[9]—if left unregulated by the ego's reality principle—would ultimately lead to death, a return to zero excitation, an inorganic state; the undoing of all connections "so to destroy things."[10] The sexual instinct, which in Freud's earlier model was itself theorized as the unbound disruptive force of the unconscious, is re-conceived as the life drive—"…the tendency to create and maintain ever greater unities…the instinct of self-preservation."[11] Freud's previous conception of the mental apparatus was organized by an operation whereby unconscious mental impulses towards pleasure sought release in the conscious register and labored to avoid unpleasure (the pleasure principle). In this new speculative elaboration, the pleasure principle was put in service of the death drive; more importantly, pleasure and unpleasure were conceived as always present in a kind of symbiosis. Because primary process can only be accessed belatedly through secondary representation, displeasure must be experienced in order to maintain pleasure. Repetition, then, does not occur as a way of mastering unpleasure, but in order to maintain the pleasure that is inherent in it.

The economic repetition of boom and bust, analogously, is not merely determined or motivated by the degree to which previous regulatory systems (such as the true gold standard) can be circumvented through the compromise of newly devised economic structures that manifest pleasure simply in the form of profit. Rather, the gradual 'undoing of connections' between paper currency and gold—and the ensuant reappearance of market collapses—seems to instigate peak levels of excitation and economic displeasure as forms of exhilaration and pleasure.

Within a year of Nixon's announcement to finally uncouple the dollar from gold, the dollar was devalued from $35 an ounce to $42.22 an ounce—currency became pure fiat. In the same stroke, the function of the International Monetary Fund (I.M.F.)[12]—as a mechanism of balancing temporary shortfalls in currency to assist nations in settling trade deficits—transformed. In its revised role, the I.M.F. addresses the needs of nations that required larger structural adjustments instigated by more severe deficits or newly democratized economies that struggled to become competitive. Often these debts are owed to commercial banks with more predatory lending practices than those of the nascent I.M.F. of Bretton Woods. Contingent on often severe structural adjustments, the I.M.F. lends debtor-nations the money to repay commercial banks simply by authorizing or supplementing a new round of loans from the same pool of commercial banks (we might consider Greece's plight in the Eurozone as a contemporary, "eternal recurrence"). In an economy of relatively frictionless money flows, the repetition of debt-spirals finds less regulatory resistance until regulation and drive are generated and activated by one and the same force; after all, who can tell at this point whether drive generates resistance, or resistance drive?

Following Freud's speculative leap, our construction of libidinal aesthetics proposes that the death drive constitutes the core of modern economic consciousness. In developing his formulation to a meta-theoretical level, we propose that the impulse towards death internally transforms psychoanalytic discourse into a singularity that at once detonates and enfolds any limits, binaries, or boundaries between inside/out, primary/secondary, and representation/reality. The trajectory implied within the evolution of Freud's own model displays an incremental unmooring of what begins as a theory constituted by a concise economy of libidinal pleasure regulated by censorship, to one regulated by the simultaneity and co-location of pleasure and unpleasure. Just as the co-location of the death drive as pleasure/unpleasure in the conscious and unconscious would develop within the Lacanian formulation into a constancy of accelerating circularity around a void instigated by lack (what Lacan would name *jouissance*), the transition—first from a *true*-gold standard, then to a gold-*exchange* standard, and finally a gold-*convertibility standard*—would similarly quicken a repetitive cycle of credit and currency multiplication. This would result in the ultimate uncoupling of currency from any material base and the reduplication and acceleration of monetary policies and market crashes through the 1980's. Each cycle would consume the regulatory mechanisms of the previous boom/bust to invent new modes of economic *jouissance.*

The death-drive at the heart of psychoanalytic theory, like the death drive at the core of economic consciousness (and one might presume at the heart of any theory formed by binaries), would accelerate to a position not simply beyond regulatory limits—for truly, what is the beyond of representation—but one that would consume the entire field of regulatory

9 Jean Laplanche, *Life and Death in Psychoanalysis*, Trans. Jeffrey Mehlman, Baltimore: The Johns Hopkins University Press, 1976, p. 108.

10 Jean Laplanche and J.B. Pontalis, *The Language of Psychoanalysis*, Trans. Donald Nicholson-Smith, New York: W.W. Norton & Co., 1973, p. 98.

11 Ibid., p.241.

12 The I.M.F. was founded as part of the Bretton Woods Agreement and was created as an entity that would make short-term loans to nations with trade deficits and shortfalls in the currency required to repay them. The I.M.F.'s somewhat innocuous originary function would evolve over-time—as both debtor nations and those newly de-colonized struggled to remain competitive globally and required more significant structural modifications of their economies and political systems.

limits as part of the drive towards sustaining maximum excitation; "the death drives as not external to the regulated apparatus, rather they inhabit it."[13] When Francois Lyotard takes up his theory of *Libidinal Economy*, he reformulates the death-drive by inverting the negativity of Lacan's address to Freud by proposing a lack of lack. Lyotard conceives of mobility, not between different registers, but as a single unified system in which the primary and the secondary enfold like the twist of a Moebius; as imbricated paradoxical versions of themselves. He would name this the libidinal band: "The interminable band with variable geometry… [which] has not got two sides, but only one, and therefore neither exterior nor interior."[14] For Lyotard, the theatre of the child's Fort/Da, a game first put forth in *Beyond the Pleasure Principle*, is not instigated by Freud's notion of mastery or sadism, or Lacan's masochism and lack—there is no bar or separation between them. The bar is imbricated within the band.

> The whirling bar slows down, the mad, aleatory movement which engenders the libidinal band brakes sufficiently for this and the not-this (which its high speed has confused at every point in the field) now to be distinct, now the this, now the not-this, here it is, now it's gone *fort, da*….the bar becomes an edge, the edge of a stage.[15]

Much like the collapse of 1929, the market collapse that ensues in 1973 takes years to find its bottom. With the end of gold-convertibility, the dollar floats further and further away from a phantasmatic home base whose most important historical function was to delineate a ground from which it was *inevitably* to be released—there could be no other currency outcome. Neoliberal monetary policies of the early 1980's further hastened the flow of around and through regulatory systems. Each ensuing repetition was propelled by the accelerating momentum of the economic death-drive's voracious ingestion of old regulations and discharge of newly devised financial instruments. Each subsequent collapse would find its bottom and recovery with more velocity: two weeks in 1987; a single day in 2008; a few minutes in 2010. It becomes apparent, then, that there simply is no "before" the gold standard or "after" the gold standard. Richard Nixon's decision to formally uncouple the dollar from gold functions as the instance of rotation in the Moebius: the half twist in the loop that contains a continuous curve that has no beginning and no end. The speed of the rotation of the bar-imbricated-in-the-band fails at a disjunction between the death drive and its regulation (a secondary representation).

The project of libidinal aesthetics is not to mark one theoretical or economic structure as better or worse than another—Lyotard found most totalizing formulations inadequate—but rather to map the trajectory of its dissimulation and deploy its operation. Our intention is to find aesthetic interventions that make use of the flows, accelerations, and regulations in the singularity of the libidinal economy that has emerged and continues to elaborate; to reintroduce the political and ethical questions which, initially, Lyotard's " 'libidinal' work could only exclude."[16] We propose that the death drive—which labors to expend maximum excitation by disorganizing and undoing the cohesion of the regulatory life drive—progresses on a meta-discursive trajectory toward the radical elimination of all tension from structures of consciousness and economy. The dissimulation of structures of consciousness and economy—the final elimination of excitation—can be aimed towards but never attainted. The system simply maintains a pulsating psychotic frenzy—the libidinal band sustains plenitude, at once bar and band. It is by taking up this plenitude through artistic production that we propose to advance a theory of libidinal aesthetics.

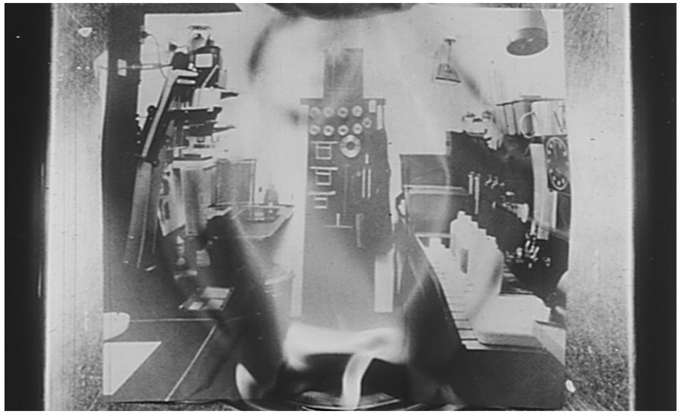
13 Geoffrey Bennington, *Lyotard: Writing the Event*, Great Britain: Manchester University Press, 1988, p. 38.

14 Francois Lyotard, *Libidinal Economy*, Trans. Iain Hamilton Grant, Indianapolis: Indiana University Press, 1993, p.3.

15 Geoffrey Bennington, *Lyotard: Writing the Event*, Great Britain: Manchester University Press, 1988, p. 22.

16 Ibid., p.1

YEAR	FUNDAMENTAL CONCEPT	FINANCIAL CONCEPT
1971	*Unconscious*	Inflation
1987	*Drive*	Speculation
2008	*Transference*	Debt
2010	*Repetition*	High Frequency Trading



Hollis Frampton, *Nostalgia* (Hapax Legomena I), 1973, film still, courtesy
The New American Cinema Group/ The Film-Makers' Coop, New York.

Michael Snow, *Wavelength,* 1967, film still, courtesy
The New American Cinema Group / The Film-Makers' Coop, New York.

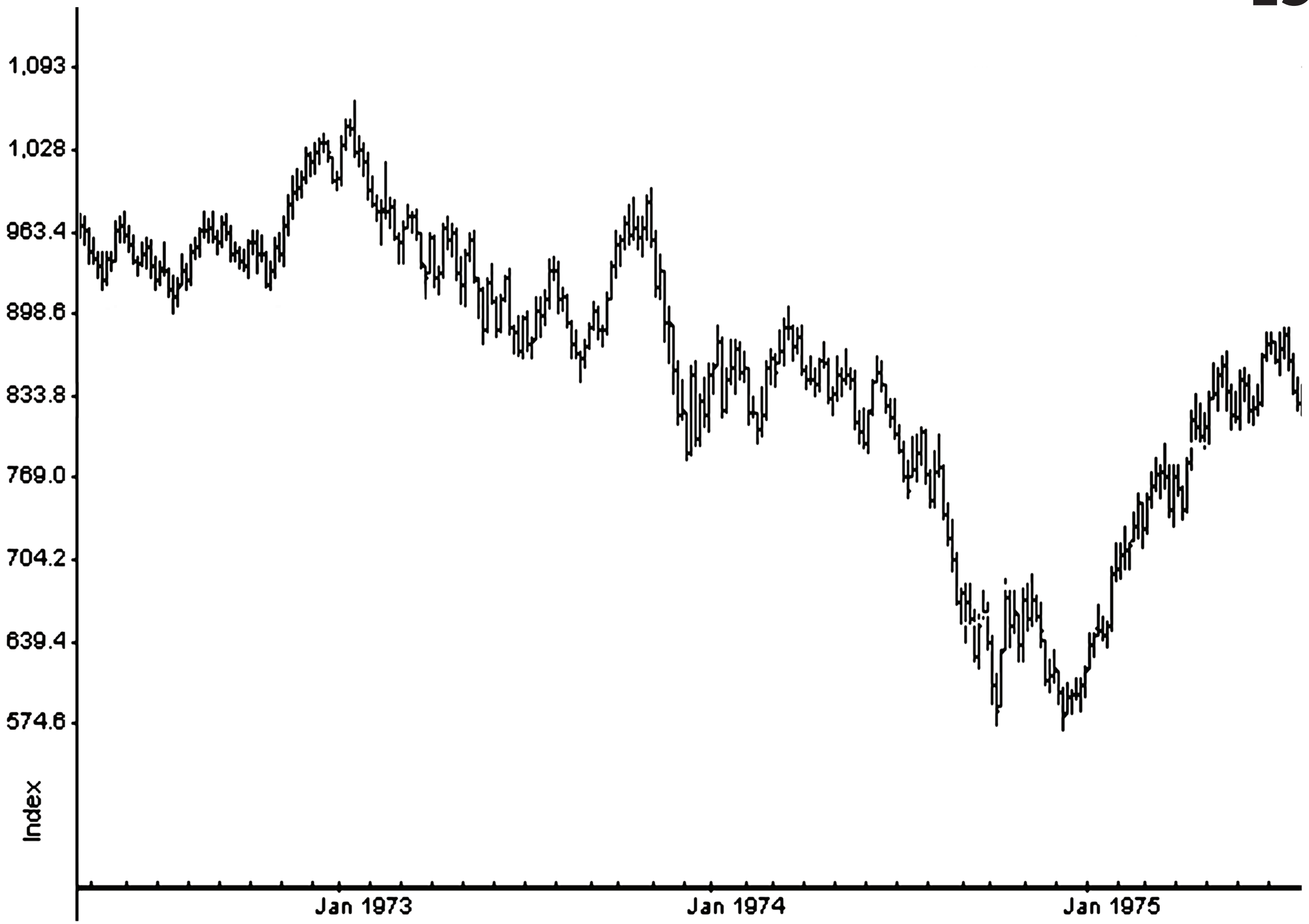
1971 UNCONSCIOUS

Under the influence of the ego's instincts of self-preservation, the pleasure principle is replaced by the reality principle. This latter principle does not abandon the intention of ultimately obtaining pleasure, but it nevertheless demands and carries into effect the postponement of satisfaction, the abandonment of a number of possibilities of gaining satisfaction and the temporary toleration of unpleasure as a step on the long indirect road to pleasure.

Sigmund Freud[1]

1 Freud, Sigmund, "Beyond the Pleasure Principle," in *The Freud Reader*, ed. Peter Gay (New York: W.W. Norton & Co., 1989), p. 601

1971


1,093
1,028
963.4
898.6
833.8
769.0
704.2
639.4
574.6
Index
Jan 1973
Jan 1974
Jan 1975

Paul McCarthy with Mike Kelley, *Family Tyranny*/ Cultural Soup, 1987,
video still, courtesy Electronic Arts Intermix (EAI), New York.

Mike Kelley and Paul McCarthy, *Fresh Acconci*, 1995,
video still, courtesy Electronic Arts Intermix (EAI), New York.

1987 DRIVE

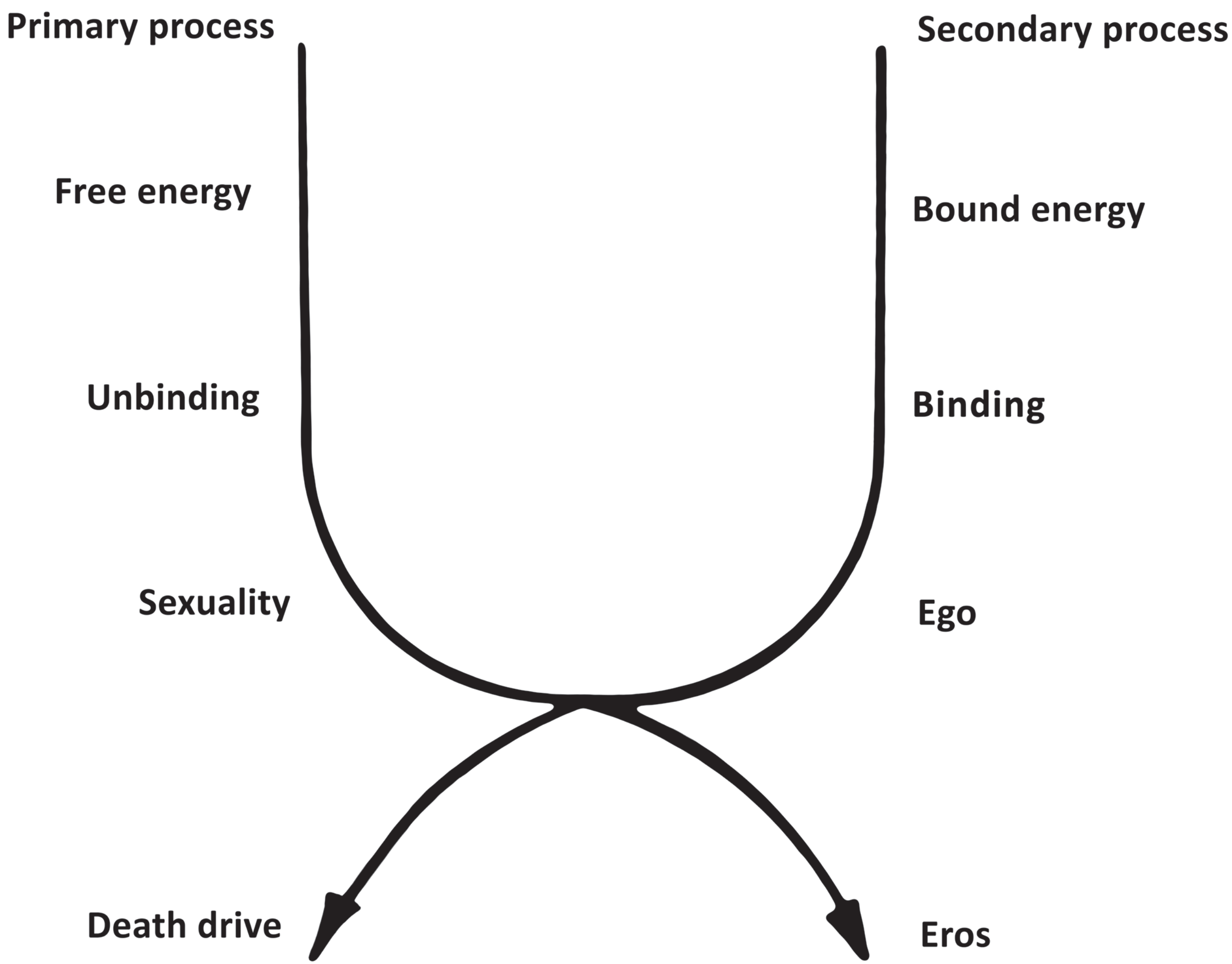
Today I intend…to take you from love…to the libido. The libido is to be conceived as an organ, in both senses of the term, as organ-part of the organism and as organ-instrument…Let us not forget that it is usual to represent the unconscious as a cellar, even as a cave, by way of allusion to Plato's cave. But it is not a good comparison. The unconscious is much more like the bladder, and this bladder can be seen only if one places a little light inside it.

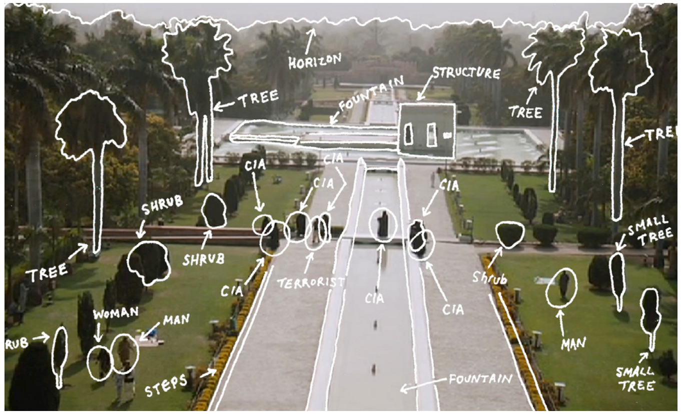
Jacques Lacan[2]

2 Jacques Lacan, *The Four Fundamental Concepts of Psychoanalysis*, (New York: W.W. Norton & Company, 1973), p. 187.

1987


2800
2700
2600
2500
2400
2300
2200
2100
2000
1900
1800
1700
Aug
Sep
Oct
Nov
Dec
Jan


Primary process
Secondary process
Free energy
Bound energy
Unbinding
Binding
Sexuality
Ego
Death drive
Eros



Maura Brewer, *Zero Dark Birthday,* 2014, video still, courtesy of the artist

Yael Bartana, *True Finn,* 2014, video still, courtesy of Petzel Gallery, New York; Annet Gelink Gallery, Amsterdam, and Sommer Contemporary Art, Tel Aviv

2008 TRANSFERENCE

There is no need to begin with transgression, we must go immediately to the very limits of cruelty, perform the dissection of polymorphous perversion, spread out the immense membrane of the libidinal 'body'…a Moebius band which interests us not because it is closed, but because it is one-sided…which, rather than being smooth, is on the contrary… covered with roughness, corners, creases, cavities which when it passes on the 'first' turn will be cavities, but perhaps on the 'second' lumps.

Jean-François Lyotard[3]

3 Jean-Francois Lyotard, *Libidinal Economy*, (Indianapolis: Indiana University Press, 1993, first published 1974), p. 3.

2008


14,000
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
1/07
4/07
7/07
10/07
1/08
4/08
7/08
10/08
1/09
4/09

Axel Stockburger, Christoph Meier, *Il Grande Silenzio,* 2014, video still, courtesy of the artists

Constanze Ruhm, *Crash Site: My Neverending Burial Plot,* 2010, video still, courtesy of the artist

2010 REPETITION

The entire history of Wall Street [is] the story of [arbitrage] scandals…linked together tail to trunk like circus elephants. Every systemic market injustice arose from some loophole in a regulation created to correct some prior injustice… The regulators might solve the narrow problem of front-running in the stock market by high-frequency trades, but whatever they did to solve the problem would create yet another opportunity for financial intermediaries to make money at the expense of investors.

Michael Lewis[4]

4 Michael Lewis, *Flash Boys,* (New York: W.W. Norton, 2014), p. 101.

2010


10,900
10,800
10,700
10,600
10,500
10,400
10,300
10,200
10,100
10,000
9,900
10:00 am
11:00 am
12:00 pm
1:00 pm
2:00 pm
3:00 pm

LIBIDINAL ECONOMIES
Juli Carson

> The entire history of Wall Street [is] the story of [arbitrage] scandals . . . linked together tail to trunk like circus elephants. Every systemic market injustice arose from some loophole in a regulation created to correct some prior injustice. . . . Whatever [regulators] did to solve the problem would create yet another opportunity for financial intermediaries to make money at the expense of investors.
>
> —Michael Lewis, *Flash Boys*

> What we have in the discovery of psychoanalysis is an encounter, an essential encounter, an appointment to which we are always summoned with a real that eludes us. . . . Consider the importance of appointments, meetings, and dates in the realm of love; there can be no love story with the real because you try to make a date, and repeatedly reschedule the date, but something else appears.
>
> —Jacques-Alain Miller, *Reading Seminar XI*

Oliver Ressler's video *In the Red* opens with a shot of the Manhattan skyline at dusk viewed from the Queens shoreline. The Empire State Building—the post-9/11 signifier for the city—establishes our point of view and location. By way of a voiceover we hear activists collectively composing a statement: "It turns out these debts we are drowning in are someone else's dollars . . . someone else's profit." Cutting to the collective itself, we see the players continue: "We broke the silence. We realized we're in the red. We're fed up. We're done hiding. We're over it. So what are we going to do about it?" The group is Strike Debt, an offshoot of Occupy Wall Street. Aimed at exposing the concealed substrate of capitalism, their target is the secondary debt market, whereby a bank sells a defaulted debt—from credit cards, loans or medical expenses declined by insurance—to a third party for pennies on the dollar owed. The third party, in turn, collects the debt at full price, plus interest, hence the logic: "one person's debt is another person's profit." As a means of intervention, the Strike Debt collective buys these bundled debts, only to turn around and nullify them, absolving the debtors.

Strike Debt's intervention within the secondary debt market is a classic example of what Michel de Certeau calls a tactic, as opposed to a strategy. A strategy becomes possible when a subject of will and power—an enterprise, institution or bank—can be isolated from an "environment" that circumscribes it as "proper." A strategy thus generates relations with entities external to it: competitors, clients, or, in Strike Debt's case, borrowers. A tactic, in contrast, lacks a "proper" spatial or institutional location. Nor does it have a borderline delineating it from an exterior other. Rather, the place of the tactic is the other. Because tactics do not have a place, as de Certeau explains, they depend on time: "It is always on the watch for opportunities that must be seized 'on the wing.'"[1] *In the Red* showcases the trajectory of tacticians in the field of financial strategists, the former of which analogously seize their opportunity on the wing. To understand these protagonists fully—to understand the stakes and claims of their actions—we must first consider Wall Street itself as that circumscribed place of capitalist will and power par excellence. For it is here, on Wall Street, that an encounter—a rendezvous with a fair market—is endlessly eluded. Hence Strike Debt's tactical, interventionist approach of dealing with financial reform *off the grid*, in the space of the other.

I'll begin anecdotally. My memory of Wall Street begins in medias res, in 1987. It was a crazy moment in time, around which a number of key events converged. Most spectacularly, on Monday October 19, the stock market experienced the largest one-day crash in history, ending a bull market that had been driven by a cavalcade of leveraged buyouts, hostile takeovers, insider trading and merger mania since 1982. The numbers were astounding—hence the moniker "Black Monday," which will forever denote that day. The Dow Jones Industrial Average plummeted 508.32 points, losing 22.6 percent of its total value, while the S&P 500 dropped 20.4 percent, falling from 282.7 to 225.06. Remarkably, the crash had to do with the failed interplay between stock markets and index options and futures markets.

Once the fall started, there was an exponential run on the stock market to cash out, not unlike the run on banks that occurred in 1929. As a result, $500 billion in market capitalization instantly vanished from the Dow Jones stock index. Meanwhile, Ivan Boesky—the notorious mergers and acquisitions trader upon whom the iconic film character Gordon Gekko is based—was sentenced to three years in prison for his role in an insider trading scandal. This is the same moment that the Federal Savings and

1 Michel de Certeau, *The Practice of Everyday Life* (Berkeley: University of California Press, 1984), p. xix.

Loan Insurance Corporation (FSLIC) was declared insolvent—the result of a decade-long Ponzi scheme in the savings and loan industry that cost taxpayers a total of $25.75 billion to recapitalize it—before the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 finally abolished the FSLIC. For a moment, 1987 was a financial race to the bottom; the cocaine-driven bacchanal was over. Until, of course, it wasn't. Closing the door on one financial scandal merely opened the door for other instances of opportunistic corruption.

And there you have it, and there it is. On Wall Street, it's always a matter of *rinse and repeat*. For the stock market is a libidinal economy that must be regulated; however, in the course of regulation, paradoxically, fair exchange is eluded. In Lacanese, this is the nature of an intangibly Real fair market; it's an appointment to which fair-trade investors are called, although it always eludes them.

This failed rendezvous redirects us to a tangential libidinal economy. Seven years prior, in 1980, the famed Odeon restaurant opened its doors in Tribeca at the corner of West Broadway and Thomas Street, just four subway stops from the New York Stock Exchange (NYSE). Launched at the vertiginous heights of the bull market that would eventually culminate in Black Monday, the Odeon had a clientele that was a heady mixture of big business and counterculture. As Frank DiGiacomo put it, "The Odeon was soon serving as the de facto commissary for the close-knit group of actors and directors—led by Robert De Niro and Martin Scorsese—who came to define the New York school of filmmaking. And in their midst were the remnants of another close-knit group that had helped revive the city's cultural relevance in the mid-70s: the original cast and crew of NBC's Saturday Night Live (SNL)."[2]

Born in the suspended moment around Studio 54's closing and the beginning of the AIDS epidemic, the Odeon was a clubhouse where—as James Signorelli, a filmmaker from SNL recalls—hardly anybody spent an entire meal at one table. They just "passed from place to place and freely exchanged friends and lovers and other things."[3] It was a site for inebriated encounters—be it sex in the storage closet beneath the stairs, cocaine in the loo, or fistfights at the bar—as well as the epicenter of the bull-driven art market. It was there that art stars like Julian Schnabel, Robert Longo, Keith Haring and Jean-Michel Basquiat would hook up with star dealers like Mary Boone, Tony Shafrazi and Larry Gagosian, all of whom were wheeling and dealing in the bacchanalian atmosphere. As Boone recalls it, the owner, Keith McNally, "yelled at me because, at my birthday party, Julian and I think it was Jeff Koons or maybe Jean-Michel were throwing toilet-paper wet balls. You know how if you take a roll of toilet paper and put it into the toilet, it absorbs all the water and it becomes like a water balloon? They were throwing them at each other at my birthday party . . . And Keith kicked us out before we got to have birthday cake."[4]

Over the course of the eighties bull market, the NYSE (where the selling and buying of securities, currency and commodities took place) and the art world (where the critique of Wall Street culture was formulated and scripted) constituted two distinct psychic economies located in two different, physical locations. The former was supposed to be rational, mathematical and regulated; the latter, libidinal, creative and subversive. However, that wasn't really true. The art world was, in fact, just the bohemian substrate of the real deal, the bottom line, of the financial market. In astronomical terms, the Odeon was thus the physical location—the center of mass—where these two celestial bodies, art and finance, effortlessly orbited each other with near mathematical precision. In this way, the aesthetic and economic spheres danced in a reciprocal gravitational field because they were, and still are, libidinally and inextricably connected.

Consider the following. In 1982 the bull market—deregulated and awash in liquidity and low interest rates—allowed investors to refinance and remortgage endlessly at lower rates. Without saving or lowering debt, investors bought larger houses, vehicles, vacation properties and commodities. In essence, they were throwing their money at a bull market to feed a consumption binge that was really just accumulating massive debt. More was more, even though investors were saving less and less. On the art side of it, the market billionaires would spend millions on a single painting, simultaneously fueled by Wall Street, the strong yen and aggressive marketing by the auction houses. The auction houses, in turn, constituted a secondary market seemingly impervious to crashes and dominated by speculators, as opposed to the primary market of artists, galleries and collectors. Three years after the crash, in 1990, Philip Guston's *Summer* sold for $1.1 million and Willem de Kooning's *July* for $8.8 million, while the sales for nineteenth-century masterpieces would continue to go were through the roof. In the same year, Van Gogh's *Portrait of Dr. Gachet* sold for $82.5 million to a Japanese collector, and Renoir's *Moulin de la Galette* went for $78 million.[5]

In another part of the New York art world—the Schnabel-free zone—critics and curators were consuming postmodern continental theory at the same pace that investors were consuming securities and commodities. In lower Manhattan you couldn't pick up a press release for any given thematic exhibition without the cursory mention of Guy

2 Frank DiGiacomo, *Live, From Tribeca!* Vanity Fair, November 2005.
3 Ibid.

4 Ibid.
5 Peter C. T. Elsworth, *The Art Boom: Is It Over or Is This Just a Correction?* New York Times, December 16, 1990.

Debord's "Society of the Spectacle," Jean Baudrillard's "Precession of the Simulacra," Walter Benjamin's "Art in the Age of Mechanical Reproduction" or Jacques Lacan's "The Mirror Stage as Formative of the Function of the I." In the mid-to-late eighties, theory was a form of currency in the art world on both sides of the fence: for artists who sought to interrogate the terms of status quo contemporary art discourse (witness Hans Haacke, Sherrie Levine, Cindy Sherman and Mary Kelly), as well as collectors who sought to monetize artists and artworks through the Wall Street tactics of arbitrage and "pump and dump"—Charles and Maurice Saatchi being the most spectacular on that front. Among the post-structuralist texts being translated at the time, one in particular was notably absent, although in retrospect it's highly relevant to this little mise-en-scène. Enter Jean-François Lyotard's *Libidinal Economy*, written during the 1974 bear market, when prices of securities fell so low that a widespread pessimism persisted, one that ultimately elected Ronald Reagan president and set off the deregulated 1980s bull market.

The main precept of *Libidinal Economy*—a post-Marxist critique of capital—was to forge a link between what Lyotard saw as the repressive (militaristic) ethos of classic Kantian critique and the deployment of the superego within the classic psychoanalytic oedipal scenario. Lyotard's proposal was a critique of ego psychology (not Lacanian psychoanalysis), that discourse wherein the "superego is given the arduous task of keeping the id in order, a task it accomplishes, writes Freud, by 'install[ing] a garrison [cathexis or investment] in the place where insurrection threatens." Under separate cover, in his book *Dérives*, of 1972, Lyotard argued that Kantian critique "is deeply rational, deeply consistent with the system. Deeply reformist: the critic remains in the sphere of the criticized, he belongs to it, goes beyond one term of the position but does not alter the position of the terms." Therefore, Kantian critique and normative psychoanalysis maintain the static conventional forms of the universal subject: proletariat, labor and exploitation. What Lyotard instead called for was a libidinal model of 'acritical' writing about the conjoined economies of the subject and capital that would drift, in the Situationist sense of derive. In which case, "the shores [would be] disfigured and identities wrecked in this post-critical torrent which engulfs Kant's safe seat as much as the garrisons of the psychoanalytic superego."[8] However, by 1988 Lyotard had denounced the text as an "evil book." Could it be that the crash of 1987—the result of the libidinous frenzy that occurred across politics, aesthetics and economics—gave him pause? Could it be that he realized that the unbridled libido is inherently nonideological and can thus drive both the left and the right into the same ditch?[9]

8 Ibid., p. xxix.

Back to the frenzied floor of the NYSE, 1987. A 2007 *New York Times* Report described it this way:

> When individual investors heard that a massive stock market crash was in effect, they scrambled to call their brokers. This was unsuccessful because each broker had many clients. Many people lost millions instantly. Some unstable individuals, who had lost fortunes, went to their broker's office and started shooting. Several brokers were killed, despite the fact they had no control over the market action. The majority of investors who were selling, didn't even know why they were selling, except that they "saw everyone else selling."[10]

In 1987 the NYSE was still very much an analog scenario. Meaning, the largest single crash in stock market history occurred when brokers—actual *human beings*—still picked up landlines and penned their orders on paper. There were no handheld microdevices, such as BlackBerries and iPhones, or program trading to handle the overwhelming volume of shares being traded. To be clear, the total NYSE volume for the week of October 19 was 2.4 billion shares, valued at $75 trillion. That's approximately the total amount of business done in all of 1967.[11] This crash, this libidinal torrent that broke the dam and flooded Wall Street's shores, was the culmination of another libidinal drive: the longest bull run in stock market history. A new levee was therefore needed (analogously, a new superego), tasked with the arduous chore of regulating this volume, keeping it flowing while simultaneously acting as a "circuit breaker" that would halt trading if the Dow declined a certain number of points in a given amount of time. Such a levee system was to be found in the complete computerization of Wall Street, which replaced people entirely.

9 Or perhaps *Libidinal Economy* was a melancholic reaction formation against Lyotard's prior Marxist position—melancholic due to the failure of the 1968 general strike. For the tone of the book is deeply ambivalent about the materialist dialectical approach the Left had previously held with regard to capitalism. As Peter King notes in his 1993 review of Libidinal Economy's English translation: "A further important theme of the book is Lyotard's portrayal of capitalism as allowing for the liberation of new libidinal intensities (hence the pleasure of the industrial accident). Libidinal Economy appears to be almost a celebration of capitalism in its untrammelled form as an engine of positive and masochistic desire. . . . Capitalism allows things to happen—for desire to be fulfilled. Lyotard appears to suggest that any happening is justified by its occurrence and this is reason enough. Hence the anti-critical, anti-theoretical style of the book which attempts itself to create a happening with the reader. However, it is this uncriticality that is the main problem with the book. Lyotard just does not discriminate, either practically or morally. After the immediacy of desire (or perhaps even before) one needs to eat; after a happening one may be bemused as well as thrilled. Indeed a book that seeks not to discriminate between the pleasure of sexual intercourse and the 'pleasure' of deafness through industrial injury must be flawed" ("Postmodernist Porn," Philosophy Now, issue 8 [Winter 1993/4]).

10 *New York Times* Report. http://graphics8.nytimes.com/packages/pdf/nyregion/city_room/20071019_CITYROOM.pdf

11 Ibid.

Fast-forward to the present, when the market is a pure abstraction, as Michael Lewis notes in *Flash Boys*. Market experts still report from the floor of the NYSE on CNN, but nothing is actually happening there. It's just a stage set. The reality is something quite virtual:

> For a market expert truly to get inside the New York Stock Exchange, he'd need to climb inside a tall black stack of computer servers locked inside a cage locked inside a fortress guarded by a small army of heavily armed men and touchy German shepherds in Mahwah, New Jersey. If he wanted an overview of the entire stock market . . . he'd need to inspect the computer printouts from twelve other public exchanges scattered across northern New Jersey, plus records of the private dealings that occurred inside the growing number of dark pools. If he tried to do this, he'd soon learn that there actually was no computer printout. At least no reliable one.[12]

Not only are the exchanges virtual now, they're actually a collection of small markets located throughout New Jersey and lower Manhattan.[13] And on Wall Street, *remote* and *virtual* make a dubious combination, one ushering in more nefarious activity.

A case in point. In 2007 the Securities and Exchange Commission issued Regulation NMS, whereby the routing of orders for stock would henceforth be based upon a security information processor (SIP), a consolidated feed that directs each exchange to the best price among the markets. However, most of the exchanges don't use the SIP. Rather, they're engaged in high-frequency trading (HFT)—a type of algorithmic trading carried out entirely by computers—to create direct connections to the markets in micro- or nanoseconds. Speed is thus the new commodity for investors engaged in HFT—a direct feed to the market from a single exchange costing upward of $60,000 a month. Without this feed, an investor can't see the market because by the time he's placed an order in "real time," an HFT broker, with a direct feed, has been tipped off to the order based upon his algorithms, thus beating the slower investor to the punch. In essence, by way of HFT, the broker has front-run the average real-time investor. This means that the U.S. stock market, as Lewis argues, "was now a class system, rooted in speed, of haves and have-nots. The haves paid for nanoseconds; the have-nots had no idea that a nanosecond had value. The haves enjoyed a perfect view of the market; the have-nots never saw the market at all."[14] In other words, as Eric Scott Hunsader concludes: "When Michael Lewis used the word 'rigged' [to describe the stock market], he's right. It's rigged because all of these gains depend on receiving the information faster from an alternative source, which is . . . forbidden by Reg NMS."[15] The arrival of the slower prey, as Lewis put it, thus awakened the HFT predator, "who deployed his [usual] strategies—rebate arbitrage, latency arbitrage and slow market arbitrage" to his own advantage.

Welcome to the new bull market, where it's déjà vu all over again. Since bottoming out in 2009, after the stock market crashed on September 15, 2008—when the Dow Jones fell 1,874 points, or 18.1 percent, taking almost $1.2 trillion in market value with it—the S&P 500 has gained 200 percent on a total return basis. And just as in the eighties, the secondary art market is a reflection of Wall Street's libidinal economy: Paul McCarthy's *Tomato Head (Green)* (1994) sold for $4,562,500 in 2011; Charles Ray's *Table* (1990) sold for $3,106,500, also in 2011; and Mark Grotjahn's *Untitled (Standard Lotus No. 11, Bird of Paradise, Tiger Mouth Face 44.01)* (2012), sold for $6,510,000 in 2013.[16] Not to mention Jeff Koons's total auction sales of $177 million for 2012. However, since the bull market is driven primarily by algorithm trading, the volume of trade reflects market manipulation more than it does economic contribution. As Ehrenfreund notes, "All of a sudden, what happens—and we see this in the market every day—it will take the price up 5 percent in a second, on hundreds of trades. The machines are just feeding off themselves."[17] Hence the remarkable difference in volume if we compare trade on October 19, 1987—when the market received 585,000 orders—and twenty years later, on a given day in 2007 *before* the current bull market, when there were 155 million orders processed because of algo-trading.[18]

And so we have our two "celestial bodies": Wall Street and the secondary art market, again in mutual (frenzied) orbit. This time the barycenter between the two is a location—both real *and* virtual—where interventions and interrogations are made off the grid. Enter Strike Debt, tacticians of mimesis. As de Certeau instructs, the tactician "must play on and with a terrain imposed on it and organized by the law of a foreign power. It does not have the means to *keep to itself*, at a distance, in a position of withdrawal, foresight, and self-collection: it is a maneuver within enemy territory."[19] In this case, the secondary debt market is

12 Michael Lewis, Flash Boys (New York: W. W. Norton & Co., 2014), p. 53.

13 The "market" consists of thirteen public markets—thirteen stock exchanges spread out over four sites run by the New York Stock Exchange, Nasdaq, BATS and Direct Edge. In addition, there are upward of twenty "dark pools," where investors buy and sell securities without being listed to the public as in the traditional exchanges.

14 Lewis, p. 69.

15 Max Ehrenfreund, "A Veteran Programmer Explains How the Stock Market Became 'Rigged,'" Washington Post, April 4, 2014; http://www.washingtonpost.com/blogs/wonkblog/wp/2014/04/04/a-veteran-programmer-explains-how-the-stock-market-became-rigged//?print=1.

16 Rozalia Jovanovic, "*artnet News'* Top 10 Most Expensive West Coast Artists," July 7, 2014; http://news.artnet.com/market/artnet-news-top-10-most-expensive-living-west-coast-artists-54746?utm_campaign=artnetnews&utm_source=070714daily&utm_medium=email

17 Ehrenfreund, p. 4.

18 New York Times Report (see n. 10).

19 De Certeau, p. 37.

occupied and detourned in favor of the other—*one person's debt is another person's profit*—with the surplus value being the reversal of fortune engineered by *front running* the collection agencies in buying up bundled debt from the banks. It is, in essence, the conversion of corrupt strategies, regularly employed by the financially empowered, into a tactic in the hands of the radical other. And in Strike Debt's hands, the aforementioned rendezvous with a fair market momentarily and provisionally occurs *within* the very constellation of financial capitalism it seeks to expose, a rendezvous necessarily mobilized from the edge of the targeted circumscribed space: Wall Street.

Returning to Lyotard's theorization of the river levee as a metaphor for the super-ego's regulation of libidinal flood, we could, in turn, conceive of the secondary debt market as surrounded by levees (the capitalist rules of the game) that keep the monetary juices flowing behind closed doors. What Strike Debt does, in effect, is trench those levees, allowing the uncollected debt to flow outside the market and eventually evaporate altogether. It's a perfectly inverted mimesis of what the market does all the time through *quantitative easing*: the policy by which a central bank creates money out of thin air by buying securities, such as government bonds, from banks with electronic cash that did not exist before.[20] Hence the real-time political nature of Strike Debt's libidinal declaration: "We broke the silence. We realized we're in the red. We're fed up. We're done hiding. We're over it. So what are we going to do about it?" The answer? More tactical moves on the part of the protagonists in the field—be they activist collectives or artist filmmakers—as a proactive response to the century-old question of the Left: *What is to be done?*

Yet another question remains, one provoked by Georg Lukács's formulation that "when capitalism functions in a so-called normal manner, and its various processes appear autonomous, people living within capitalist society think and experience it as a unity, whereas in periods of crisis, when the autonomous elements are drawn together into unity, they experience it as disintegration."[21] How, in other words, do we represent this unity if we experience it as disintegration? Is it a choice between the artist representing the totality of capital or the fragmented experience of the consumer? That was the polemical debate between the philosophers of the Frankfurt School, between the realists and the modernists in general, and between Lukács and Adorno more specifically. But in a contemporary sense, we might further consider how *both* the totality *and* the experience of capitalism might be represented. This is the work of Libidinal Economies Film Series: Art in the Age of Bull Markets.

20 "What Is Quantitative Easing?" *Economist*, January 14, 2014; http://www.economist.com/blogs/economist-explains/2014/01/economist-explains-7.

21 Georg Lukács, "Realism in the Balance," in Aesthetics and Politics: The Key Texts of the Classic Debate within German Marxism, edited by Fredric Jameson (New York: Verso, 1995), p. 32.

Benjamin Van Bebber, Bastian Zimmermann, *The Great Ephemeral Skin,* 2012, video still, ℗ cobrafilm.cobra

TOWARDS A LIBIDINAL AESTHETICS
FILM SERIES

7:00pm, CAC 3201

October 8	*Snowpiercer*, 2013	Dir:	Joon-ho Bong
October 15	*In this World*, 2002	Dir:	Michael Winterbottom
October 22	*American Psycho*, 2000	Dir:	Mary Harron
October 29	*(nostalgia)*, 1973, 16mm		Hollis Frampton
	Little Murders, 1971	Dir:	Alan Arkin
November 5	*Wavelength*, 1967, 16mm		Michael Snow
	Holy Mountain, 1973	Dir:	Alejandro Jodorowsky
November 12	*Wolf of Wall Street*, 2013	Dir:	Martin Scorsese
November 19	*Road to Guantanamo*, 2006	Dir:	Michael Winterbottom
December 3	*Inception*, 2010	Dir:	Christopher Nolan

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