Simon Sheikh

Positively Representation of Banking Revisited

A text in a magazine is never alone, but always within a context and a dialogue that is both internal and external to the magazine that publishes it: it relates to other texts within the magazine, both past and present, and to other texts on the topic elsewhere (as well as to text production in general). This is part of the rationale behind my own "Positively Revisited" series of texts about texts in *e-flux journal*. But a text's relation to the publication in which it appears, as well as to a broader discourse, determines the way in which it enters into discourse and its surrounding discipline, and any magazine – the one you are presently reading being no exception – both produces, and is produced by, its own discourse and discipline. A magazine circulates discourse, but in a reflexive manner, since its publication date is a punctuation of time, while its seriality assures continuation. It can thus be instructive to look not only at texts as sites of knowledge that produce and circulate discourse, but also to the publications in which they are found. The present text being revisited, John Strauss's "Transparency: The Highest Stage of Bank Architecture," is a case in point – in terms of both time and place, it is difficult to imagine it being published anywhere other than in a specific magazine culture.

Although short-lived, the NYC journal *Wedge*, from the early 1980s, was exemplary of the above-mentioned reflexive circulation of discourse, but also exemplary of a magazine culture that was interdisciplinary in its scope and political in its critique. It may have stemmed from the art world, but it was not limited to it or defined by it. *Wedge* did not deal with art criticism, but with what we can call the art of critique. Today one might characterize its methodology as cultural studies (before it became a derogatory term for art history). If so, it is different from the dominant strands – the consumer studies–inspired sociological version, or the one fostering a postmodern sublime by aestheticizing so-called outside and low cultural forms – now comprising a field of cultural studies that has become a discipline rather than an interdisciplinary or even anti-disciplinary mode of inquiry. Instead, *Wedge* called itself "an aesthetic inquiry" at its inception in 1982, and dealt with such issues as "The Imperialism of Representation, The Representation of Imperialism," which was the thematic for *Wedge* 7/8, the double issue in which John Strauss's article on the architecture of banks first appeared.[1]

Strauss's essay traces the change in bank architecture from the grandiose imperial style to its near disappearance as it came to favor modernist transparency, seeing this as

TRANSPARENCY: THE HIGHEST STAGE OF BANK ARCHITECTURE

JOHN STRAUSS

HIGH ABOVE THE ENTRANCE TO ONE OF Brooklyn's principal turn-of-the-century banks (now Manufacturers Hanover Trust's central borough branch) is a stone tablet which reads,

> COMMERCE DEFIES EVERY
> WIND OUTRIDES EVERY
> TEMPEST AND INVADES
> EVERY ZONE

An emblematic textual vision from the end of the nineteenth century, the inscription honors and embodies the conquering aspect of imperialist commerce. According to this vision, capitalist industrial nations—able to construct huge merchant fleets and navies — penetrate all corners of the globe in search of resources and profits. An exultant, ideological cry issued by "free marketeers," this plaque advertises their arrogant philosophy. Although the words could easily be quoted from a Rockefeller or a Morgan, here they are anonymous, suggesting the ubiquitous acceptance of these ideals or the bank owners' desire to transmit such a philosophy into public presumption. In this way, despite its tough assertiveness, the inscription can also be read as a sign of weakness, a bit of self-promotion, reminding us that at this crisis point of imperialism international capitalism required justification in the form of a moral appeal and that myths—as much as the notion of security—were necessary to usher a customer's money into the bank.

In fact, at the turn of the century, banks campaigned vigorously to promote customer deposits in order to strengthen their equities. Banks also relied on their ties to domestic industry, an especially critical sector in the bank business before the days of international finance. Although financiers did make loans to companies involved in foreign commerce, U.S. banks were not allowed to open direct foreign branches until the Federal Reserve Act of 1914.

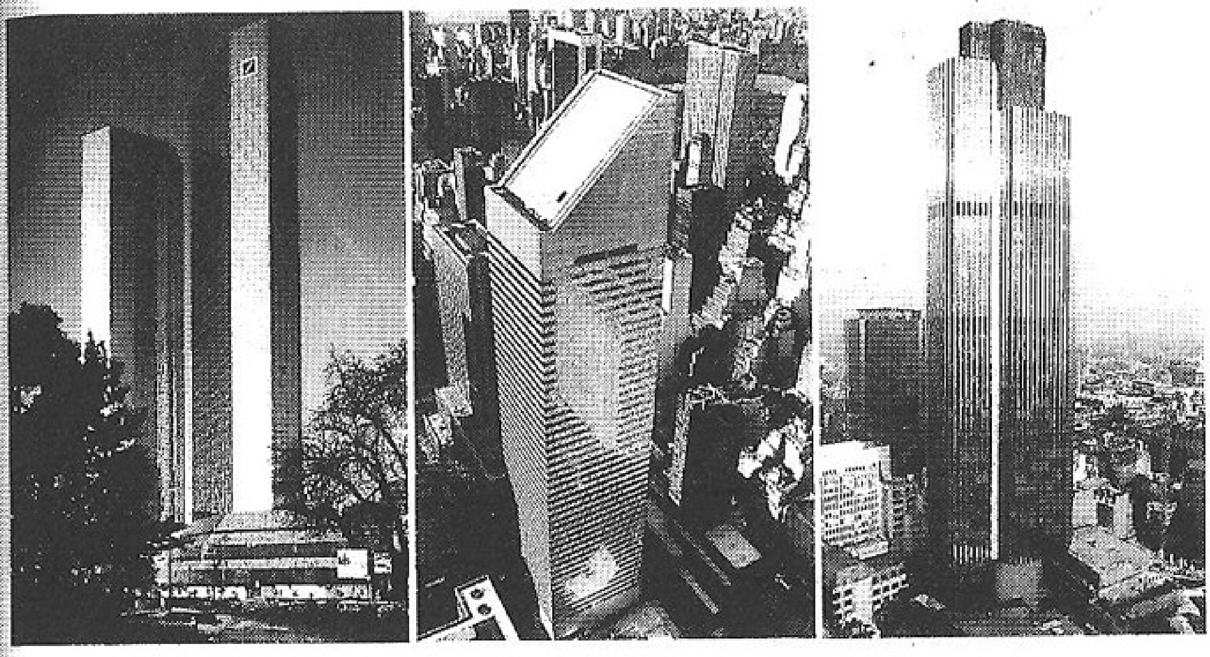
In order to attract both of these potential sources of capital, the bank had to give evidence of its pedigree and its fortitude: it had to advertise "security." For this reason, the architecture of the bank building was from the start an important component of any bank's ideological repertoire. Confidence, one of the key ingredients in banking, could be communicated by the stability of the bank's stone edifice. To convey a sense of permanence and tradition, banks were frequently modeled after classical temples; later, to convey a sense of secure opulence they were sometimes patterned on palace or church architecture with elaborate interiors and façades decorated with intricate, sculptural motifs. By the turn of the century banks were actively involved in competition for the most impressive architecture, and in the urban environment, where no aspect of bank architecture was more important than the façade, simply *more* was often impressive. When the National City Bank (now Citicorp) "modernized" its Wall Street headquarters in 1900, it merely added to the existing Roman-temple façade a second story of columns even more imposing than the first and designed by the prestigious firm of McKim, Mead, and White.

Although the banking system has changed radically over the past three-quarters of a century, customers—both individual and business—still constitute an important source of equity. But very real ideological and economic concerns now disrupt the sense of security and confidence an old, stone bank may once have provided. A case in point: Continental Illinois, the nation's eighth-largest bank holding company, nearly collapsed earlier this year under the pressure of the sudden withdrawal of billions of dollars by its largest depositors after they had learned that the bank's bad loans were larger than previously reported. It was necessary for the Federal Deposit Insurance Corporation (FDIC), which insures every account up to $100,000 at its member banks, to step in to "restore confidence" by insuring all deposits of any amount; this constituting, according to *Business Week*,[1] a $7.5 billion rescue. Nevertheless, neither the confidence-inspiring efforts of the FDIC (which was created after the Great Depression specifically to instill confidence in the nation's banks), nor the apparent solidity of Continental Illinois' traditional, staid architecture could prevent further flight by the bank's depositors.

Ironically, Continental Illinois' problems stemmed largely from another bank's failure—Penn Square, a local Oklahoma bank whose only office was located in a shopping center. Continental Illinois had bought more loans from this bank than any other: speculative energy loans which proved to be a bad gamble, since most could not be collected. The federal government watched impatiently as Continental Illinois' situation deteriorated. Because it was too large to fail without setting off other significant bank failures, Continental Illinois' condition was deemed vital to the entire bank system. The federal government eventually bought 80% of the bank's stock and took over its managerial control, saving it by nationalizing it. Meanwhile, over the past two-and-a-half years, the FDIC has "allowed" 122 other, smaller banks to fail.

The vicissitudes of the banking business are to some

1. June 18, 1984.



A new awakening

extent mirrored in certain shifts in the architecture of bank buildings. The massive stone architecture and romantic styles of the turn of the century have been largely abandoned in favor of modernism's sleek International Style. In the past two decades, bank architecture, like most corporate architecture, has traded the iconography of permanence, tradition, and security for images of regularity, transparency, and anonymity.

More recently, architecture, under the banner of "postmodernism," has entered a new phase best characterized as a new historicism.[2] Under pressure to recapture lost cultural meaning, postmodern architecture has engineered the revival of the façade. The typical postmodern façade foregrounds the contradictions of architectural signification but errs on the side of reaction. In attempting to signify tradition through historical detailing, it often merely erects a two-dimensional partition between the world and the (corporate) interior. This new façade desires a posture of indifference, between actually signifying history and pointing to history (in order to point knowingly), whereas it gestures to history under the rubric of style in order to legitimate its claim to history (and thus its patron's stature). The building touted as the most radical example of postmodernism at the corporate level—Phillip Johnson's AT&T headquarters—is actually one of the most conservative bearers of the corporate desire to express phallic power. The façade's relation to the interior structure is both more arbitrary and more cynical. Perhaps most significantly—with its cynicism, its arbitrariness, its flatness, its historicism, its falseness—the façade no longer separates an inside from an outside: the age of computer finance has made omnipresent banking possible.

As a result, banks are hardly recognizable as banks anymore. Not only are bank buildings becoming increasingly automated—as tellers are displaced by 24-hour banking machines installed on the street, in supermarkets, and at airports—but the banking business is breaking out of its traditional roles: banks are selling stocks, insurance, and information, and are competing with insurance companies and department stores, which are expanding their own services to include banking. Today, more and more banks are competing with "non-bank" banks.

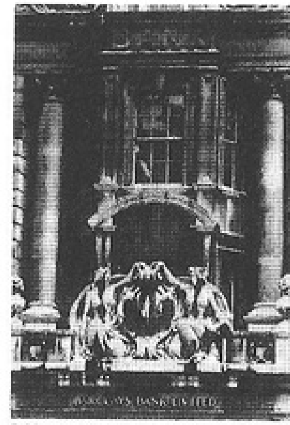
2. Jürgen Habermas, "Modernity—An Incomplete Project," in *The Anti-Aesthetic*, ed. Hal Foster (Port Townsend, Wash.: Bay Press, 1983), p. 3, which opens: "In 1980, architects were admitted to the Biennal in Venice, following painters and filmmakers . . . Those who exhibited in Venice formed an avant-garde of reversed fronts. I mean that they sacrificed the tradition of modernity in order to make room for a new historicism."

> In Fall 1980, Paul Volcker looked at what was coming at him and stamped out a cigar in a giant, pewter ashtray marked with the legend *when you've left New York you ain't going nowhere.* "I liked the old, comfortable world, where there were specialized institutions." [3]

If the massive, nineteenth-century bank block has given way to the transparent glass tower and the postmodern façade, and if cash has been made obsolete by computer transfers, the bank lobby—a relic of brass, marble, and expensive woods—has been transformed into the strangest successor of all: the public amenity. Partly owing to New York City's revised real estate tax laws, and partly to the bank's need to escape pedestrian traffic for the cloistered efficiency of the "new" banking, the public amenity—space devoted to the "welfare" of the general public—was born. The massive, new Citicorp building, for example, retains a few automatic teller machines (ATMs), but most of what exists between the colossal piers that separate the bank's headquarters from the street is a shopping mall. Chemical Bank's headquarters has a trendy atrium with fountains and "greenery," while Manufacturers Hanover Trust has apparently snubbed the public altogether, offering only a huge, red cube, nearly the size of the lobby, inside of its building. Two corporations with new headquarters in New York and whose activities are intimately tied to banking—IBM and AT&T—have included elaborate "interior façades" in their newly constructed towers. IBM's first floor, replete with planters of trees and pastry kiosks, passes for a huge waiting room, as if at a refurbished train station, while AT&T's lobby more closely resembles a mausoleum, a hall lined with polished and rough stones and flaunting a relic of the corporation's past: the gold-leafed sculpture nicknamed "Golden Boy," which graced the crown of the former headquarters. The public amenity, then, is not a traditional lobby: it offers neither a reception area nor the space for commercial transactions. It is a hollow gulf, devoid of real significance or relation to the corporation's business, while the actual activities of the company, its internal system, are removed from this "public" interior to another interior which is private and forbidden.

In this new world of banking, money must never rest, for circulating money and credit is what "makes" money for the financial company. Marble halls, teller cages, sorting rooms full of pigeonholes have no place in this world. Public access takes other forms, and banks, relying on networks of communication rather than personal reception, become more aggressive. Citicorp, for example, recently mailed out thousands of unsolicited credit cards

3. M. Mayer, *The Money Bazaars* (New York: Truman Talley Books, 1984), p. 11.



British old style . . .

new style

to potential customers across the country. This is the type of daring, combative strategy that new banking applauds and requires, for, despite the obvious risks involved, it now allows Citicorp to claim contact with one out of every six American households.

> VISION: THE ART OF SEEING THE INVISIBLE.
> Now, when our world offers so many financial and investment opportunities, being able to see beyond the usual boundaries is vital.
> And vision has never been more at a premium.
> —Citicorp, Global Investment Banking advertisement, *The Economist*, March 24-30, 1984

> VISION.
> Vision is having an acute sense of the possible. It is seeing what others don't see. And when those with similar vision are drawn together, something extraordinary occurs.
> —Shearson Lehman/American Express advertisement, *New York Times*, May 15, 1984

In the world of the financial service industry, "vision" is a particularly complicated and ambiguous word. Vision can alternately mean either profit or foresight. "Vision" suggests power, advertised and commodified sight, and the "right stuff" for executive bankers. Read backwards, as it were, vision penetrates the facades of a new world, as commerce penetrated the barriers of the old world.

In the business world, all abstract appeals to providence have their practical and profitable (under)side. The big banks have affected tremendous change in the shape of the global economy by the scope and scale of their lending abroad, chipping away in the process at the regulatory apparatus designed to protect the banks and their customers. While the FDIC and other entities created by congressional act recognize the "special status" of banks, a status conferred in order to protect *and* restrain them, the banks have jumped through endless loopholes, evading regulations to increase their profits overseas.

> As late as 1960, only eight U.S. banks had foreign branches, concentrated in a few Latin American cities and London. By 1977, the worldwide presence of U.S. banks was firmly established, with 730 foreign branches and over 1,600 subsidiaries and affiliates in virtually every corner of the world. During this same period, the foreign assets of the U.S. banking system grew from $3.5 billion to $286 billion.[4]

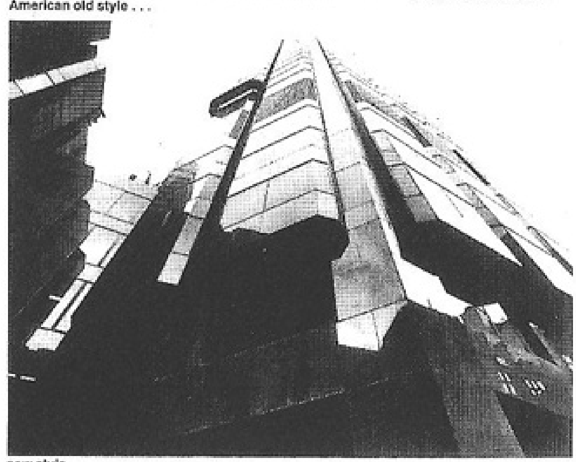
> "The extent to which Citicorp was able to circumvent and subvert local regulations," says Congressman John Dingell, chairman of the subcommittee on oversight and investigations, "raises the spectre of large multinational banks becoming a law unto themselves beyond the control of national governments."[5]

On the other hand, depositors have no idea of the vulnerability of a banking system which, while presenting itself as secure, has 25 to 30 times its equity lent out to foreign nations, many of them struggling countries of the Third World: "...Loans outstanding to developing countries are equivalent to almost three times the total equity of these big banks. In some cases, claims on individual countries exceed half of the total capacity of individual banks."[6] Today, the global debt owed to private and public banks by developing nations is $700 billion, half of it owed by Latin American countries. The seven largest U.S. banks—Citicorp, Bank of America, Chase Manhattan, Manufacturers Hanover Trust, Chemical, J.P. Morgan, and Bankers Trust—are owed about $50.6 billion by four Latin American countries alone: Argentina, Brazil, Mexico, and Venezuela.[7]

Third World nations were encouraged to take a gamble on "development" loans, expressed something like this: ***You borrow money to improve your export capacity by building (highly visible) projects such as hydroelectric dams, highways and railroads. With ever-increasing export earnings, denominated in dollars, you can attract more foreign investment and pay back the banks.*** What actually happened was that, as inflation, higher interest rates, and recession hit the industrialized world, the anticipated export income never materialized.

The consequent "debt crisis" is due in large part to the banks' shortsighted desire for huge profits, along with a lack of that "vision" necessary to foresee that Third World dependency on the erratic economy of the industrialized nations might spell disaster in the long run. The crisis has become even more acute as the banks continue to lend (backed by the International Monetary Fund) in order to get back the interest payments on old loans. The debt crisis is largely a crisis for the banks, even though the media—parroting the system's managers—present it as a borrower's problem stemming from such factors as corruption and mismanagement. The fact is that, if the debtor nations were to repudiate their debts, the largest U.S. banks would become insolvent. Bankruptcy on this scale could initiate a depression so severe as to make the Great Depression look tame. But government resources are simply too small to prevent major bank failures. As a result,

American old style . . .


now style

4. Corporate Data Exchange, *Handbook on Banking & Finance* (1980), p. 43.
5. *Multinational Monitor* 3, no. 10 (October 1982), p. 9.
6. A.W. Clausen (president of the World Bank), "Third World Debt and Global Recovery," Jodidi Lecture, Harvard University, Center for International Affairs (World Bank, 1983), p. 9.
7. *Business Week*, June 18, 1984, p. 21.

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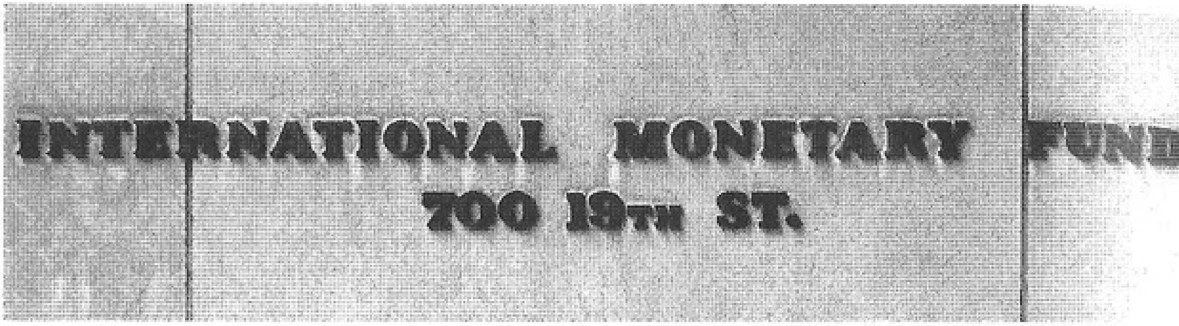

taxpayers can expect to pay more into the FDIC over the next few years, the government will attempt to persuade the banks to write off the loans now (since it will be impossible to do so later), and protests will grow over the deregulation of the banking industry.

> As banking develops and becomes concentrated in a small number of establishments, the banks grow from humble middlemen into powerful monopolies having at their command almost the whole of the money capital of all of the capitalists and small businessmen and also the larger part of the means of production and of the sources of raw materials of the given country and in a number of countries.[8]

A major force exists on the international scene alongside the big banks: the International Monetary Fund (IMF). Originally designed to assist industrial nations with temporary balance-of-payments problems after the Second World War by making short-term loans, the IMF has become "the most powerful supranational government in the world today."[9] IMF loans to nations are supported by "quotas," the contributed resources of its 146 member nations. The major contributors are six countries, industrial nations that are also military allies: the United States, Britain, France, Japan, Saudi Arabia, and West Germany. The six account for nearly 50% of the funds and therefore nearly half the voting power, since votes are weighted. Since only 15% of the vote is needed to veto a decision, the U.S. acting alone, or the other five together, control most decisions. Developing nations, however, account for a numerical majority in the Fund and are the primary borrowers today. Loans are made on conditions known popularly as an "austerity plan"; the IMF's leverage in forcing a negotiating country to agree to such a plan is provided by the resources made available by the Fund, and by the respectful distance that most banks will keep while the country is in negotiation with the Fund. Many banks will stop lending to a country whose economy is deteriorating and will resume lending only after the country accepts IMF conditions. The actions of the IMF are understandably controversial, but it remains a shadowy institution, screened from the U.S. public by a sophisticated use of doublespeak and a relatively uninterested media.

The Fund's actions are decided by a 21-member board of directors, chaired by a managing director. Among the 146 member countries are most of the capitalist world, many Third World nations, some nonaligned countries, and a few socialist or centrally planned economies. The six industrial nations with the most votes may each appoint one executive director, while the other 140 nations, grouped in 15 consortium blocs, may elect an executive director for each bloc. Blocs are generally arranged geographically, with some notable exceptions: Spain is grouped with the Central American nations—and it is Spain which supplies the executive director for its voting bloc.

The Soviet Union and its Eastern Bloc allies are generally not members. Although the Soviet Union attended the Bretton Woods Conference in 1944, it neglected to sign the articles of agreement. Among the aspects of the agreement likely to alienate the Soviet Union and its allies were that the U.S. was granted a voting share of over 20% and that members must "report their gold and foreign exchange holdings and keep a part of them in the U.S. at the IMF headquarters."[10]

The IMF has managed to maintain a low profile for several reasons, some of its own design, others owing to the media's behavior. The IMF has constructed many façades around itself, including its protected headquarters building in Washington, D.C. Unlike most public buildings in the nation's capital, the IMF building—and even its

8. V. Lenin, *Imperialism: The Highest Stage of Capitalism* (1914; reprint, Peking: Foreign Language Press, 1975), p. 31.

9. Cheryl Payer, *The Debt Trap: The International Monetary Fund and the Third World* (New York: Monthly Review Press, 1974), p. ix.

10. "Background Notes on the International Monetary Fund," *Development Dialogue* 2 (1980), p. 96.

garage—cannot be photographed.[11] Since its founding in 1944, the IMF has acted with extreme secrecy, and on the rare occasion when the Fund addresses criticism, it speaks in a neutral voice through anonymous representatives. While demonstrations have occurred all over the world in response to demands by the IMF that nations change their economies, the IMF has met with substantial success in separating itself from these fracases. Occasionally a "story" does break onto the pages of the U.S. mainstream newspapers, usually the result of events associated with an IMF austerity plan, but, except for the few papers of record, there seems to be a taboo against linking the IMF directly to these events. In sharp contrast is the reaction of the media in the borrowing country to the IMF's demands. In these nations, the IMF negotiations are front-page news. A case in point was recently provided by the Dominican Republic. The Dominican press diligently followed the comings and goings of Fund staff, provided detailed reports on negotiations, and essentially educated the public on the impending austerity plans. When prices for essential medical supplies and imported food (staples such as rice, beans, and oil, which constitute a major part of the Dominican diet) were raised by nearly 300% overnight, the Dominican people were informed enough to recognize the culprit. The government, fearing problems, had timed the increases to coincide with the Easter holiday, hoping to surprise the people while they were busy with other concerns, but the strategy failed. More than sixty Dominicans were killed in almost three days of spontaneous, country-wide rioting. The president of the Republic was surprised by how well "organized" the protests were. In New York, the story was initially reported by the *Times* in a tiny wire report on page eight headlined "Four Die in Protests in Dominican Republic," but eventually it became front-page news. Most other news services, particularly the television news, while finding the rioting newsworthy, did not find the IMF to be. On April 29, 1984, the *New York Times* reported that the country which "President Reagan, less than two weeks before had said 'shines like a beacon for freedom loving people everywhere,' closed down two radio stations and a television station and set national police to occupy union headquarters to prevent meetings that could organize further demonstrations."

11. The photograph included here was taken on the run: the guard in the photo tried to prevent the act after the shutter clicked.

The events in the Dominican Republic serve as a representative example of the circumstances surrounding the imposition of an austerity program and its aftermath. Governments hoping to receive IMF loans are placed in an uncomfortable position by the pressure from the Fund to meet economic "targets," coupled with the anticipated reaction of the general population to the severity of the austerity package. The typical outcome has been acquiescence to IMF demands, which ultimately results in the implementation of brutal measures to control the recalcitrant locals. Although the IMF refuses to acknowledge its responsibility in these actions (much less the fact that the repression of the majority is a specific aim of its economic designs), other facts expose the political nature of Fund lending. The chart below illustrates recent loans made by the IMF to repressive regimes.

Country	Amount of IMF Agreement (in $ millions)
Chile	$ 525.0
Guatemala	120.5
Haiti	63.0
South Korea	604.6
Turkey	236.3
Uruguay	396.9
Brazil[1]	4,451.3
South Africa	1,100.0
El Salvador[2]	153.0
Philippines[3]	648.0

1. *New York Times*, May 4, 1984.
2. *Multinational Monitor* 4, no. 7 (July 1983).
3. *The Economist*, November 19, 1983.

While it has been able to interfere with the economies of developing nations, the IMF has little control over the economic policies of the industrial countries, which, after all, supply it with its money. One of the most significant developments in the Fund, therefore, would be the speculated move toward fulfilling the role of a world central bank.

West German old style . . .

new style

The first step toward this role has already been taken: the issuing of "IMF money," called Special Drawing Rights, or SDRs.[12] The SDR has already become acceptable outside of the Fund, but this development will have to expand if the Fund is to exert meaningful control over world liquidity. Speculation has been encouraged by the business press, which reported that Paul Volcker, chairman of the Federal Reserve, suggested such a direction; President Reagan called the IMF "the linchpin of the international financial system"; and *Business Week* referred to it as the "Global Cop."[13]

These changes are discussed, however, in light of growing resentment over the United States' imperialistic control over the world financial system. Since the dollar is the denomination of most loans, it is estimated that a one-percent rise in U.S. interest rates raises debt to developing nations by $4 billion annually. Raoul Alfonsin, Argentina's newly elected president, said that U.S. Federal Reserve policies were "madness": a recent one-point rise in the prime lending rate had added $600 million to Argentina's debt. Even before the rates rose, Argentina had to funnel two-thirds of its export income back to the banks just to pay the interest due on the loans.[14]

Over the forty years of the IMF's existence, imperialism has entered a new phase, marked by the shifting location of ideology from visible sites such as architecture to the slippery turf of media. The façade has been transformed from a sculptural barrier to a linguistic diaphane. Ideology can be deciphered in the techno-linguistic use of IMF phrases such as "conditionality of a loan," "distortions in the economy," and "decreased demand," which respectively translate to austerity plan, government controls such as import restrictions, and the recession created by an austerity program. The media has reported the debt crisis in sensationalist terms, creating its own language façades. While the media may have focused the "worries" in the country on the stability of the banking system, the banks have so far come through relatively unscathed, collecting the larger share of their interest payments and recording over fifty percent of their earnings on foreign transactions. The use of threat and fear in the U.S. media has also had the effect of deflecting concern for understanding

12. SDRs are essentially a basket of major world currencies (dollars, marks, yens, etc.) which can be in constantly changing proportion to each other, depending on exchange rates, but which as a unit have a relatively stable value (close to: 1 SDR = $1.05). The SDR was "created" and is controlled by the Fund, but its use may widen in the future.

13. *New York Times*, February 18, 1983, and September 27, 1983; Ron Phillips, "The Role of the International Monetary Fund in the Post-Bretton Woods Era," *Review of Radical Political Economics* 15, no. 2 (Summer 1983), p. 77.

14. *New York Times*, May 11, 1984.

the debt crisis and its true victims to emotional reactivism, a feat accomplished by virtue of the fact that it does not provide a coherent, contiguous text.

Some of the "terror" has filtered into the otherwise cool and logical language of the managers of the system, who usually assert, "We're the experts, leave the thinking to us." The extent of the distance between the managers and the effects of their policies on living standards in the borrowing countries is revealed in their callous statements. For example, according to the *Economist*, the IMF's managing director, Jacques de Larosiere, feels that developing countries still need "a long convalescence." Several of them, like Brazil, remain in the emergency ward, the article continues. "Mr. de Larosiere worries that some of them 'are approaching the limits of social and political tolerance of their adjustment efforts.' Echoing that fear, the president of the World Bank, Mr. Tom Clausen [former chairman of Bank of America], warned that the 'economic distress of the poorest nations is a time bomb ticking away'."[15]

If the debts of the Third World are indeed a time bomb ticking away, the bankers are doing all they can on the ideological front to delay the device from reaching time zero. Bankers are convinced that a sovereign nation cannot and will not declare bankruptcy (a judgment which led them to assume falsely that the Soviet Union would pick up Poland's bad debts and save the Western banks). Thus, U.S. Treasury Secretary Donald Regan can say: "As debtors, I think they should be made to pay as much as they can without breaking them... You can't let your heart [sic] rule your head in these situations."[16]

While threats may be directed at debtors in the hope of dissuading the formation of a debtor's cartel or preventing debt repudiation—possibilities ordinarily linked to nationalist sentiments gaining ground in developing countries—nationalism is also a much-feared possibility in the industrial world. After all, it was nationalism that enabled Nazi Germany to become a protectionist, closed, and prosperous economy before the Second World War. It was nationalism that the IMF fought from its inception, since open economies and free trade were the primary interests of the United States in establishing a monetary fund. It is nationalism which has threatened the Fund recently, by the singular prospect of congressional refusal to grant the IMF an additional quota it had requested last year.

The trade off between the banks threatening the debtors and the debtors threatening the banks has generated an unprecedented level of hysteria over the last year. Leonard Silk, financial correspondent for the *New York Times*, editorialized:

> The sword of Damocles hanging over the world economic recovery is the threat of widespread default by developing countries on their loans from private banks in the Western World.
>
> Awareness of the peril appears to be greater abroad than in the United States. The respected West German newspaper, *Frankfurter Allgemeine*, published a front-page editorial last week warning that the danger of the debt crisis to the world economy and the international financial system "is far more real than the oft-invoked threat of nuclear war."[17]

It is indeed interesting that the Germans should be pointing the finger at the debt crisis as new United States missiles are plunked down on their soil. That the avoidance of both "perils" is largely the responsibility of the Western World which created them is left unsaid. For the moment, it appears that the façade has triumphed in its new, invisible condition.

Of course, Congress approved the $8.4 billion IMF appropriation increase in the autumn of 1983. The victory, contrived through the exploitation of convulsive declarations of impending doom and self-righteous demands that the Third World be made to pay for the consequences of its own mismanagement, has resulted in more money poured into the big banks. The IMF will soon be asking for more funds from the U.S., as the debt crisis continues to deteriorate and the banks receive less of their interest payments. The taxpayers will be expected to bail them out the next time around. In the meantime, the banks and the IMF want just a bit more "breathing room" to muddle through their debt crisis a while longer. The problem with "muddlin' through" is that, as the economist Anwar Shaikh says, "the more you muddle through, the deeper you get into the mud."

Special thanks to Martha Rosler for editing and Garrett Kalleberg for production of photographs.

15. October 1, 1983.
16. *Multinational Monitor* 4, no. 7 (July 1983), p. 12; testimony before the Subcommittee on International Trade, Investment, and Monetary Policy, April 7, 1983.
17. *New York Times*, October 19, 1983.

ideological, and as representational. In short: banks *represent*. In this way, Strauss, as an artist-writer, uses art criticism (or architectural criticism, if you must) as an aesthetic inquiry into the politics of representation. It is an artistic critique that uses aesthetics on the offensive, rather than as a retreat into disciplinary entrenchment, as an analysis of other forms of representation than art, but as equally expressive of discourse. It is an art criticism that does not take art as its object, but representation itself – in this case the aesthetics of banking, and how the façade represents the value inside. Whereas banks in the nineteenth and early twentieth century tried to lure customers in through solidity and monumentality, literally securing the deposits, modern, international banking requires transparency: functionalist architecture with glass façades and atriums masquerading as public spaces. Modern bank architecture, then, attempts to represent efficiency, accessibility, and interactivity – well, trans-activity, really. However, with the advent of computing, virtual transactions necessitated another form of representation. This was answered partly by the falseness of postmodern architecture – with no correspondence between façade and interior, Strauss outright calls it "cynicism" – and partly by the disappearance of the bank as a physical site altogether, replaced with omnipresent ATMs, located on literally every street corner and supermarket. "Money must never rest," as Strauss writes, "for circulating money is what 'makes' money."[2]

Indeed, the second half of Strauss's text goes beyond representation in any tangible sense, focusing on the invisibility of the circulation of capital, as well as the instability of money and credit in the so-called "debt crisis" of the 1980s. The text shifts from discussing ideology in representation to the political economy of the much-fabled Reaganomics era, with its severing of the credit system from the system of production that turned the credit market into a speculative industry – which became, of course, the root of our current debt crisis. This is not to say that Strauss's essay is prophetic, but rather that it is instructive of how cultural critique can engage with economics and neoliberal ideology. The fact that the editors of *Wedge* found it appropriate for an art magazine to discuss the economy and criticize the IMF, as well as US interventionism in general (which is thoroughly documented within the pages of issue 7/8), is exemplary of an attitude sorely missing from our present time.

This present revisitation not only invokes an erstwhile magazine culture, but also rests upon an actualization of it, namely Jason Simon's revisitation of Strauss's piece in the pages of *Printed Project*, in the form of a photo essay visualizing the apparently seamless transfer of bank spaces into other commercial spaces – shops that accept credit cards, indeed often offering credit plans – accompanied by Strauss's article in facsimile (as an artistic readymade).[3] New questions can then be formed: What happens to representation and politics now that the credit system itself has been discredited? What does the transformation of stolid old bank offices into boutiques – that Simon's series of photographs offers testament to – tell us about the drive to transform economies of production into zones of consumption in the former West? And what does it tell us about the failure of this project, this failure residing within capital?

At the time Strauss wrote his text, which effectively criticized Reagonomics and neoliberalism, Reagan's close ideological ally, Margaret Thatcher (in)famously said that "there is no alternative" to her way of governing, to neoliberalism, and to capital, which has sadly proved prophetic in terms of our political imaginaries. And today it seems that there is no answer to the credit crisis, no alternative political project making itself visible, and, if you will, credible. The crisis is generally seen as having to do merely with banks, and as being integral to the capitalist world system from which it obviously sprang. So perhaps the *real failure*, the *real crime*, does not lie with the banks – which, after all, only did what banks always do by trying to maximize profit – but with the lack of visibility for alternative visions, with the existing political and artistic critiques that have been effectively de-presented in the ruins of the public sphere and nominal forms of democracy and political representation.

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For Jason Simon

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1
John Strauss, "Transparency: The Highest Stage of Bank Architecture," *Wedge* 7/8 (Winter/Spring 1985): 110–117.

2
Ibid., 112.

3
See http://visualartists.ie/publications/printed_project/pp1 2/.