



VIEWPOINT

by Elin Lake Ewald, ASA

Art Market Review

More Exciting Than a Soap

The saga of Alan Bond has more plot twists than a daytime TV show. The Australian entrepreneur, who financed his country's 1983 America's Cup victory over the USA, who bought van Gogh's *Iris* for \$53.0 million, and who owned a pair of \$10 million dollar penthouses in New York and a corporate jet, is spending two and a half years in prison for fraud. The sentence, half of what he could have received, was for failing to disclose a fee to one of the men who invested \$6 million of the \$12 million attempted bailout money to save the Rothwells Merchant Bank, hit by a run on its funds after the '87 market crash, and for dishonestly concealing a \$16-million success fee received in a financial transaction with a collapsed Australian bank. The bulk of the artworks owned by Bond's Dallhold Investments was auctioned this summer by Christie's. The expected \$12 million won't make a dent in the \$440 million Dallhold debt. Of the 52 lots only two didn't sell, and personal records were set for several Australian artists. Right in line with what has been happening in the art market, a Rupert Bunny Edwardian scene sold for \$333,333, two-thirds of what Bond had paid for it in the late '80s.

Art Full

When BankAmerica agreed to buy Security Pacific Bank for \$4 billion, the nation's second largest bank was created – and at the same time the nation's largest corporate art collection. The collections of both banks were started in the 1970s. The art merger means 18-thousand pieces of art under one roof.

Trend Track

As we were saying in June, there are two distinct paths in art market purchases these days. One

involves the elitist level of historically important, very high level paintings and objects that continue to set auction records – the other is among the often frenetic buyers of collectibles that emerged from the commonplace to become stars of the marketplace. Definitely in Group 1: at a recent Summer auction a cradle-shaped Imperial Easter egg made in 1905 by Faberge for Czar Nicholas II brought \$3.2 million; a gilded silver wine ewer made for a Sassanian king of ancient Persia in the 7th century fetched \$1.9 million; a 1757 Rococo silver coffeepot by Germaine of Paris found a buyer at \$1.6 million, and a third century B.C. pair of silver inlaid bronzes of mythical birds was purchased at \$550-thousand. And in the second group, another unique hot weather purchase was a 300 year-old putting iron, one of the earliest known examples, that was bought by a London dealer for \$175,400. These sales toppled records for objects in these fields; the previous auction record for Faberge was in 1985 when Malcolm Forbes bought the Cuckoo Egg for \$1.76 million, only the fourth time an egg had been sold at public auction. There are 47 Faberge eggs believed to survive today.

Another record toppled in New Hope, Pennsylvania, when at a local auction a McLoughlin Brothers 1883 board game, "Bulls & Bears," sold for \$28,000, plus 10% buyer's commission. At the sale another record setter was the Bliss "Santa Claus Ladder", lithographed paper on wood, that went for \$11,550, and a papier mache and wood ninepin set, "Chicken Skittles," that brought \$5,700. The previous auction record for a board game was \$5,390, for "The National Game of the American Eagle," 1844, that sold in 1991. As previously noted in this column, board games are definitely "in."

Continuing our playful survey, we should note another auction record – this one for a robot toy



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record. A Robby Space Patrol battery operated robot in the original lithographed box sold for \$24,200. We're not talking antiques here, since most of us remember those weird little rotating, blinking plastic bubbleheads zipping across our living room floors in the 60s and 70s. At the same sale a Jumeau bisque bebe with closed mouth, pierced ears and brown paperweight eyes, sold for \$16,500, double the estimate.

On the subject of records – Victorian paintings hit a new high level when a Richard Dadd scene of fairies frolicking in a garden sold for \$3-million in London. The previous record for a Victorian painting was in 1987 when Dante Gabriel Rossetti went for \$2.4 million.

Readership

We don't know if book collectors actually read the books they buy (probably not, for fear of musing them up), but we do know they're willing to pay hefty prices to own them. Raymond Chandler's *The Big Sleep*, first edition in a near perfect dust jacket, was picked up for a record \$7,150 at Swann Galleries, the same price the same collector paid at the same sale for a portrait photograph of James Joyce, signed and inscribed by Joyce in 1925.

Swann's also hit pay dirt and grabbed another auction record when it sold that first copy of *Mother Goose in Prose*. (Chicago, 1897, inscribed by the author, L. Frank Baum, to his mother. (*sic*) The book, by the author of *The Wizard of Oz*, went for a Baum record of \$63,800, double its estimate.

Bathing Suits, Birds and Munchkins

At a Hollywood poster art auction, held in a New York hotel, the top lots of the day were: *Moon over Miami*, featuring Betty Grable in a swimsuit, 1941, \$7,975; *The Maltese Falcon*, 1941, also a one-sheet poster, \$6,050, and a scene lobby card from *The Wizard of Oz*, 1939, \$3,300.

Cel-Ebrity

Appraisers have to stay alert to that skyrocketing market for animation art cels. Two of Brer Rabbit from Disney's *Song of the South*, both with studio prepared backgrounds, sold for close to \$4-thousand each at a Phillips Auction, New York. At the same sale a Britain lead soldier set of French army horse-drawn ambulance, pre-World War I, surprised the crowd by exceeding that \$4-thousand dollar figure since it was estimated at \$5-700.

Sign Here

Another market that's heated up is American autographs. The Spiro sale at Christie's proved that when two Lincoln letters brought well in excess of \$400-thousand dollars each, and a record was set for a George Washington letter to Benjamin Franklin that brought \$137,500. Another record came with the sale at \$209-thousand for a John Adams letter to John Jay. The one sale brought all kinds of records – for letters by Franklin, John Hancock, General Lafayette, Jefferson Davis, Dolly Madison, Hyam Soloman, (*sic*) and Judah P. Benjamin. The success of the sale was unexpected and may be an indication that much of the money that we (*sic*) going into art in the past several years may be diverted to other areas of collecting, whether of nostalgic or historical significance. If you spot any other trends that appraisers should be alerted to, let us know and we'll share the information.

Like Father, Like Son

And then there are the collectors who relish the ghoulish. A British collector paid \$35,600 for the diary of the execution records of London based Albert Pierrepoint, who retired from his hangman's job in 1956, leaving behind a list of 530 men and women, their ages, height and weight, and a calculation of how far they'd have to drop for an efficient execution. The same collector paid \$13,800 for a similar book that



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Albert's father, Henry, kept from 1901-10. At 90, Pierrepoint now opposes capital punishment. The last hangings in Britain were in 1964; in France it was 1977 – just in case your (*sic*) keeping your own records.

Fishlore Lure

Always interesting to make comparisons between what was happening at the height of a market – any market – and what's happening now. At a fishing tackle auction this year a circa 1859 Haskell Minnow lure stopped at \$14,300, a respectable amount, but not close to the \$22-thousand it sold for originally in 1988. Despite the slight depression in this market fishing tackle enthusiasts are attending the proliferating auctions that seem to be concentrated in the northeast. Fish decoys, another collectible that appeals to non-fishing enthusiasts, bring good prices if unique – at this sale an early Lake Chatauqua, NY fish decoy of a nine inch-perch, made \$3,740.

Art for Taxes

What's happened in New Mexico may portend the future. Three artworks by Georgia O'Keefe were donated to the Museum of New Mexico in Santa Fe in lieu of estate taxes owed to the state. The gift from the O'Keefe Foundation represented a million dollars and is a heretofore rare case. It is common in Europe to donate artworks to museums to pay off tax obligations, but in the USA only a few states allow this procedure. Among them are New Mexico, Connecticut, Maine and Montana. Montana? At any rate, the donation represents about 15-16% of the taxes due; in dollar terms the estate has \$72-million in art still in its possession and owes more than \$6-million in taxes. The idea of allowing art to serve as a tax satisfaction may be picked up by other state, but probably not until the recession is over.

Photofakes

English Colourmasters are fine photographic copies of paintings, most of which are in English private collections. At a benefit auction at Christie's in London, 40 of these were at prices going to the \$10,000 dollar range. It's been suggested that some of these could be hung in place of the real paintings, but wouldn't the price of the fake masters also necessitate insurance?

More Fakery

This past summer an exhibition of more than 70 Andy Warhol paintings, prints and watercolors was mounted in a Chicago gallery. Two collectors purchased Mickey Mouse watercolors supposedly dating from the 1960s. The prices were \$22 and \$45-thousand. When the collectors checked with experts in New York about the pieces the resultant brouhaha caused the Warhol Foundation and the artist's estate to file separate lawsuits against the gallery, seeking \$5-million in damages. According to the Foundation, the works on consignment in the exhibition were real, but many other pieces in the exhibition were blatant fakes. If Warhol were alive he might enjoy the controversy. After all, he achieved fame by reproducing the obvious. We'll keep you posted on the outcome which, at this time, seems a bit more than murky.

Window of Opportunity

That wonderful phrase that has meant so much to so many personal property appraisers is now under discussion again. The Senate Finance Committee has made several changes to a House measure that includes an 18-month extension on deductibility of gifts of appreciated property. In the Senate's version the provision is made permanent and expands the provision to include securities and real estate, as well as tangible property. The full Senate left for summer recess before bringing it to a vote, but we should be hearing much more after the Senate reconvenes.



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Keep your fingers crossed. Toes wouldn't hurt either.

Lethal Weapon 6.2

A firearms auction at Butterfield & Butterfields in San Francisco brought \$6.2-million and set some serious records. From the Warren Anderson collection a deluxe triple presentation factory engraved Henry rifle, circa 1875, sold for close to half a million dollars, while a case pair of presentation Colt Model 1860 fluted cylinder Army revolvers fetched nearly \$200-thousand. Other firearms sold in the one to two hundred thousand dollar range, not a bad pistol range to be on, indeed.

Ducks and Drakes

At a decoy auction in Maine a merganser drake by Gus Wilson of Maine sold for a world auction record of \$66-thousand, and a sleeping mallard hen by Charles Perdue sold for \$57,750, a record for the carver. A Wilson record was met by the \$36,300 paid for a pintail drake by Charles Walker. After a dip in the decoy market things seem to be looking skyward again.

Looksee

For ASA appraisers who make education oriented trips to New York --- your next visit must include the Metropolitan Museum's new galleries for 19th century European Sculpture and Decorative Arts. The revelation is that the works of heretofore unheralded sculptors are now being touted as being equally skilled as better known artists. Too long neglected sculptors in this exhibition include Carpeaux, Carrier-Belleuse, Bartolini, and Basio. Another focus of the display aids in disproving the long held theory that the products of the workshops of cabinetmakers and silversmiths using age-old techniques were not necessarily any better than the products of new firms using the latest techniques of mass production. After viewing the

exhibition and studying its implications, appraisers may have to rethink the values previously set on 19th century sculpture, furniture, ceramics and glassware.

Art Abroad

With the market in a somewhat turgid condition these days, dealers are looking to the European continent for action. Marlborough Gallery opens a large space in Madrid in the Fall, about the same time that ACA will be inaugurating its new gallery in Munich. There's been a proliferation of galleries in Italy and Germany, and it appears the emphasis will be on bright new talent that sells to new collectors. The Summer auction season was a minor disaster in France. A collection of primarily early Picasso drawings found three out of 20 selling, and the auction houses see no real market activity for several months. Sotheby's and Christie's each report that things are not as bad as they could be -- although each house's sales, 1991-92, was down from the previous year, it must be taken into account that for both houses registered a 50% drop, 1990-1991, from the previous 1989-90 (*sic*) year. Last year was just a tad off from the previous year, and it appears the market is presently registering a modest upturn.

While the other areas of art are still fogged over with uncertainty, the Old Master market retains its good health, although great paintings are becoming increasingly difficult to find. At the Maastricht European Fine Art Fair incredible prices were being asked -- and apparently received -- for Dutch flower paintings of the Golden Age, and for highly decorative 17th century still lifes, landscapes, townscapes and interiors. Five years ago it would have been unthinkable for such a flower painting to sell for more than \$350-400,000. During the Maastricht exhibition a New York dealer was offering a Jan van Huysum floral for approximately \$4-million. What we try to determine is why this happens and stay at least slightly ahead of turning points in the



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market. In the case of the Old Masters, the prices of Contemporary and Impressionist had become so astronomical in the late 80s that many collectors regarded Old Master paintings as near bargains and churned up a market that had theretofore been relatively still and dominated by museums and established staid collectors. Then the Getty bought a pair of Alex Wengraf paintings in London. When another Wengraf work came up at Sotheby's, New York, at the beginning of the year it fetched \$3.2-million. When Maastricht followed a few months later the prices at that exhibition reflected the activity at auction. One London dealer at the show had bought a Brueghel painting in a Christie's auction for \$1,320-million and priced it to sell where the Old Master market seems to be going for top-of-the-line examples. However, most collectors in this area are sticking to more modestly priced paintings, starting at \$10-thousand.

The Other Brother

Diego Giacometti died in Paris in 1985 at the age of 82. During much of his life, Diego worked closely as a sculptor with his better-known brother, Alberto. During the later years of his life Diego gained fame with his whimsically designed animal and bird figure tables, chairs, chandeliers and other furnishings. Despite the French law of 1981 that demands limitation of original editions through a required numbering system, Diego refused to comply. As a result there's no record of his oeuvre, and there has been an enormous

output of posthumous fake editions and outright forgeries. One of the problems is that several of the so-called Diego Giacometti experts are involved in the forgeries and it's difficult to figure out which is the "real" Diego material and which is an "after." And the forgeries seem to have been sold frequently at auction. It's estimated that a famous bronze of a cat as a maitre d' carrying a tray, worth about \$400, sold for over \$45-thousand. About \$30-million of these fooleries have been sold in the USA, making this the prime target of the forgers. Last year a French judge indicted 25 people in the scandal and cited the sorry lack of Diego experts who could guarantee authentication. Other sculptors' works also being widely forged include Daumier, Rodin, Barye, Claudel and Carpsaux.

About the Author

Elin Lake Ewald, ASA, serves as a member of the Board of Directors and Editor of the Newsletter of the New York Chapter of ASA. She is a member of the American Arbitration association, and is a doctoral candidate, Ph.D. program, New York University. Ms. Ewald, a fine art appraiser, is President of O'Toole Art Associates, Inc., a 12 person firm specializing in the appraisal of corporate' collections and in damage/loss/fraud reports involving fine and decorative art. She is currently researching her dissertation topic focusing on art ethics and law involving the fine art appraiser.