

A Study of South American Antiquities in the Art Market: The Case for Financial Data

By Donna Yates

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(Slide 1) With few exceptions, the study of the antiquities trade has lacked a bottom line. Monetary exchange is a universal concept: a non-archaeologist may not naturally appreciate the notoriously difficult to explain concept of contextual loss, but he knows the value of a dollar. Discussion of the financial value placed on antiquities may lead to a better public understanding of the true implications of archaeological looting and the antiquities trade that neither eloquent rhetoric nor salacious accusations can produce. I believe that governments, institutions, and individuals will not fully appreciate the true magnitude of the trade unless they are presented with serious monetary figures to support the usual qualitative discussion of researchers.

Using Sotheby's auctions of pre-Conquest South American objects as a case study, I will discuss how financial information can support illicit antiquities research. **(Slide 2)** For the purposes of this study I gathered information from 39 individual auctions held between the years of 1986 and 2005 inclusively. Every year was represented by at least one catalog and some by as many as three. Pre-Conquest objects from all South American countries were included as were objects originating from the Colombia/Panama border region. Lots dating to the Colonial and Republican periods, though present in the auction catalogues and often protected by the same laws as antiquities, were excluded from this study, but objects that may have been produced shortly after the Conquest, such as some Inka pieces, were included. All decisions as to the antiquity and country of origin of an object were made by me as the determinations asserted by Sotheby's within the catalogs were deemed unreliable. This produced a collection of 3677 South American antiquities lots for analysis.

As archaeologists we are naturally hesitant to attach or promote the price tags placed on the material remains of the past. However, the valuation of artifacts is an inescapable reality and the willingness of various parties to buy and sell illicit and illegal antiquities at high price is a phenomenon that we have yet to fully define. I hope that this example will inspire more in depth research into the financial underbelly of the antiquities trade.

Ancient South America in the Modern World

(Slide 3) The archaeological history of South America spans tens of thousands of years from the remains of the first peoples of the New World to the advanced Inka Empire that was halted in its prime by the Spanish conquest. For whatever reason, the level of technical sophistication that would later appeal to the modern international art market only developed in the north western region of the continent in the areas that would become modern Peru, Bolivia, Ecuador and Colombia as well as parts of Chile and Argentina. The well known civilizations of this area were not contained within any modern political boundary; thus, objects made by the Peru based Inka can be found in all of these countries.

(**Slide 4**)The ceremonial regalia and body ornamentation of many South American cultures were crafted out of the region's abundant gold and silver and the craftspeople of these areas developed distinctive and masterful metal working techniques that greatly appeal to modern aesthetic sensibilities. (**Slide 5**)The availability of cotton and camelid wool in north western South America encouraged the cultures of this region to become master textile makers. These cultures wove and embroidered their colorful mythology into equally colorful mantles, ponchos, and shirts. Their dead were often mummified, wrapped in multiple textile layers, and placed in dry caves or desert environments preserving the beautiful textiles in near pristine condition. The patterns employed by South American cultures in their textile crafts are highly appealing to the modern eye. (**Slide 6**)Also of note are the distinctive ceramics of the region. Elaborately painted Nazca polychromes and playfully erotic Moche molded vessels are only two of the many types of South American pottery styles that appeal to a modern public.

While South America's archaeological past is rich, its present is crippling poor. Political unrest, racial oppression, natural disasters, and a boom/bust cycle of natural resource demand have resulted in widespread unemployment and poverty.

Illicit Traffic in South American Antiquities

(**Slide 7**)The large scale trafficking of South American antiquities began in the 1950s to supply a growing international demand. Previously South American ancient art was dismissed as either "primitive" or as ethnographic curios and travel souvenirs. In the 1960s demand for South American antiquities ballooned and the looting of north western South America became systematic, endemic, and devastating. Despite the illegality of removing these ancient objects from their country of origin, Pre-Columbian art was commonly considered an "open area" for acquisitions. By the late 1970s, demand for Pre-Columbian art became so strong that the market in these antiquities was publicly legitimized through the establishment of an exclusive bi-annual Sotheby's auction. Once a safe haven for the gentry to unload family treasures, Sotheby's had become the middleman in the selling of cultural objects that developing nations were too poor to protect. In Peru alone over 100,000 archaeological sites have been documented and only one third of the country has been surveyed. Many sites are remote and most are not protected in any way.

The Law

(**Slide 8**)In 1929 the Republic of Peru declared that all Pre-Columbian material that was not already in private ownership, even undiscovered objects still in the ground, are the property of the nation. This law was expanded upon and effectively implemented in 1933. The other artifact-rich countries of South America followed suit and in all it is both illegal to excavate archaeological sites without governmental permission and to export artifacts without a permit, which are usually only issued for museum loans or for scientific purposes. The country of origin retains ownership of all artifacts that have left its borders.

In the United States a strict line is drawn between export law and ownership law. While the US Customs service will not enforce foreign export/import regulations that do not violate American law, the sovereign right of a nation to define the concept of ownership is protected. For example, if an antiquity was illegally excavated in Peru in

1980 and brought into the United States, the Government of Peru may sue for the return of the object in a US court by claiming to be the object's legal owner under the letter of Peruvian law. The burden of proof, however, is on the claimant and thus in this situation the government of Peru must prove that the artifact in question came from their soil and was exported after the date that the Peruvian government laid claim to all antiquities. For freshly excavated and undocumented objects this is a nearly impossible.

(Slide 9) The United States became a party to the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property and in 1983 Public Law 97-446 allowed for the implementation of Articles 9 and 7(b) of the Convention. This action provided a means by which the US Government could impose import restrictions on classes of antiquities originating outside of the United States with the intention of minimizing the archaeological and ethnographic loss of illicit looting while allowing a licit and documented trade in antiquities to flourish.

Under this act, the Government of the United States may issue an emergency decree banning the import of all objects of a certain type if the case is made that the objects are in immediate danger and are being imported into the United States. This action is often the precursor to the US and the foreign nation entering into a bilateral or multilateral agreement constituting a complete import ban on undocumented archaeological and ethnographic materials renewable every 5 years. In effect, no material subject to an emergency ban or bilateral agreement may be imported into the United States without certification that the exportation of the object did not violate the laws of the country of origin.

The first emergency ban on the importation of a class of South American antiquities came in 1989 with restrictions placed on the movement of Bolivian Coroma textiles. In 1990 Peru successfully obtained emergency import restrictions on artifacts from the site of Sipán. This ban was expanded upon in 1997 when the governments of Peru and the United States entered into a bilateral agreement barring the import of all Pre-Columbian archaeological material and Colonial ethnographic objects. This agreement, known as a Memorandum of Understanding or MOU, was extended in 2002 and 2007. Bolivia entered into a similar bilateral agreement with the United States in 2001, and early in 2006 the Republic of Colombia successfully lobbied the United States Government for an MOU banning the illegal import of Pre-Columbian archaeological artifacts and ecclesiastical ethnological materials.

Setting the Stage

(Slide 10) In 1979 Sotheby's Auction House instituted a bi-annual sale of pre-Hispanic antiquities. This auction was a response to the growing international interest in Latin American material culture and other so called "primitive art." Prior to all auctions, Sotheby's publishes a catalogue containing photographs, short descriptions and an estimated valuation in the form of a price range for each lot offered for sale. This information is often quite limited and notoriously deceptive. This catalogue is sent out to subscribers, many of whom are libraries, and thus these advertisements enter the public record.

What does not necessarily enter the public record, at least with regards to accessibility, is the price that was paid for any particular lot. After an auction has taken

place, Sotheby's sends a price list to catalog subscribers that cites the closing figure in US dollars that each lot fetched. It is this figure that is most valuable to anyone undertaking serious financial analysis of an auction. While the value range offered in the initial auction catalogue may express how much Sotheby's thinks an item will sell for, the final auction price reflects how much buyers were actually willing to spend on the item. Once subscribers receive the price list they must physically paste it into the correct auction catalog. Quite often this does not happen, and in many if not most libraries, historic auction catalogs exist with no price data.

In what may be fortunate to anyone trying to track financial aspects of antiquities auctions, Sotheby's has recently turned to the Internet as a venue to promote their sales. They now provide electronic versions of their catalogs which contain the same photographs and descriptions as the expensive print catalogs. After an auction has taken place, the price that each lot fetched is paired online with these descriptions making them available to all interested researchers and effectively eliminating the problem of missing price lists. It should be noted that as this information is hosted on Sotheby's own website it is unclear how long the information will remain publicly accessible after an auction has passed.

Putting a Price on It

The techniques that I employed for this study were developed in the ground breaking analysis of Classical antiquities auctions by Chippindale and Gill and from Gilgan's work on the auction of Mesoamerican material. Like these researchers, I too found the descriptions of South American artifacts offered in Sotheby's auction catalogues to be very misleading. The contexts and locations in which the objects were said to have been found were systematically simplified in a way that seemed to cause intentional confusion and to mask the true origin of the artifacts. Most objects were offered for sale with no ownership history at all or were said to belong to the now archetypal "anonymous Swiss Collector." The catalogs were littered with fake pieces and obviously illegal antiquities, some of which were eventually the subject of litigation or outright seizure by U.S. authorities.

Where my work differs from these studies is that I was able to incorporate financial information into my analysis. I was lucky enough to discover that the National Gallery of Art in Washington D.C. houses an extensive collection of auction catalogs, complete with their price lists. Thus I was able to document how much each of the 3677 South American antiquities lots offered for sale in 39 auctions between 1986 and 2005 sold for and incorporate those figures into the other qualitative and quantitative data I collected. I also was able to produce a bottom line, a price tag. **(Slide 11)** Over a 19 year period, when adjusted for inflation to the value of the 2005 U.S. dollar (2005 being the final year of auctions included in this study), buyers spent \$20,435,056.00 on South American antiquities at Sotheby's auction house.

Applications

In the study of antiquities auctions, financial information can be employed in many ways. Using my South American antiquities case study, I will discuss a few possible avenues for researchers seeking to use such information to gain insight into the trends behind the sales.

(Slide 12) Once financial information is collected for a series of sales it is possible to pinpoint a "high water mark," namely the year that the most money was spent on a particular class of antiquities. Researchers often assume that the year in which the most examples of a class of antiquity are offered for sale is the year that these objects were the most popular among buyers: a common mistake made when catalogs are analyzed without their price lists. Just because a lot was offered does not mean that it fetched a high price or even sold at all. I argue that the year that the most money was spent on a class of antiquities is the year that they were most popular for collection. (Slide 13) In the case of South American antiquities that year was 1997, when \$2,560,207.00 was spent on them at Sotheby's. This year may be of particular interest when combined with other information. For this example, many of the objects sold in 1997 were of Peruvian origin. Interestingly, 1997 is well after initial U.S. import restrictions were imposed for certain Peruvian antiquities and is the same year that the full import restriction on all Peruvian artifacts went into effect. (Slide 14) Thus it can be seen that buyers were not worried enough about the added risk of legal repercussion to curb their spending on Peruvian antiquities.

Related information that can be gleaned through the financial information offered by price lists is the presence of long term trends for the price paid for a class of antiquities over a number of years. (Slide 15) For example, in 1999 the total amount of money that South American antiquities fetched at auction began to decline. This corresponded to a decline in the number of South American objects offered for sale each year which, in turn, corresponded to an increase in South American antiquities import restriction and, perhaps more importantly, with the indictment and imprisonment of Sotheby's highest tier for anti-trust violations. It might be tempting to attribute a decline in the number of objects offered at auction to a decline in the popularity of those objects among buyers, perhaps due to the pressures of the import restrictions.

(Slide 16) However, when the total price earned at South American auctions each year was divided by the number of objects offered during that year a different story emerged. (Slide 17) The average price paid at Sotheby's for a South American antiquity actually peaked in 2001 at \$10,578.81 per object and the average price paid for an object from Peru, a subgroup that I was using as a control, peaked in 2005, the final year of my study. This indicates that the reduction of the number of South American lots offered by Sotheby's had little to do with the demand for such objects and much to do with the legal issues that Sotheby's faced at the time. (Slide 18) Indeed Sotheby's Pre-Columbian Art website as of August 2006 stated: "...currently we are focusing on presenting pieces in New York through private sales;" essentially acknowledging that the demand for legally risky South American antiquities was still great, but that the market had gone underground. This statement has since been removed from the website and replaced, as of January 2008, with an assurance that Sotheby's has sold objects "from well-known collections with a strong provenance," a claim that is impossible to back up with what the auction house presents in their entire corpus of back catalogues. They have since removed that statement as well. Further investigation into these private sales is surely warranted.

Valuation and Re-evaluation

(Slide 19) I hope that this example has demonstrated that the collection of financial data is an essential component of antiquities auction studies. It is only through the inclusion of such data that we can understand many of the trends that underlie the public sale of antiquities. With the emergence of the previously mentioned private sales of artifacts through Sotheby's as well as the plethora of difficult-to-track online antiquities dealers, it may be that the time for the study of auction data has passed. However, the evaluation of data from auction catalogs produced over the past few decades can offer a frame through which we can view current research into other types of antiquities sales. The amount of money normally spent per-annum in the "public" market of the auction houses may in fact mirror what is being spent in less traceable marketplaces. The financial information that we have about antiquities auction sales must be expanded upon and the conclusions of catalog studies conducted without the inclusion of financial data must be re-evaluated.

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