

Chapter 1. The International Context for Art Auctions

Auctions have provided people with a means to conduct trade for aeons, with antecedents in the ancient world. The Greek historian, Herodotus, wrote the earliest extant account of auctioneering when he described a regular Babylonian marriage market of about 500BC. The ancient Romans were keen auction participants and the word 'auction' is actually derived from the Latin *auctio*, which means 'increase' or 'auction sale', and this definition confirms that the increasing, or ascending, system of auctioneering was used, as is the practice in Australian auctions today.

A number of the auctioneering practices and expressions identified in this chapter have helped to shape contemporary Western art auctions and demonstrate recurring aspects of the art auction market. In 146BC, after the Romans defeated the Achaeans, the consul Lucius Mummius ordered that a public auction be held in Rome to sell the paintings and sculpture which they had appropriated. According to Giorgio Vasari in the *Lives of the Most Eminent Painters, Sculptors and Architects*, Attalus, King of Pergamum, successfully bid an enormous amount, 6000 sesterces, for a painting of Bacchus by Aristides.¹ However, the Romans refused to grant it an export licence. They assumed that because it had attained a large price at auction that it was valuable and hence desirable. This is an early account of monetary value defining the aesthetic value of art and a contemporary example of this is discussed in Chapter Seven in relation to a John Glover painting.

Financial arrangements were employed in ancient Rome. We know the Pompeian auctioneer, Lucius Cecilius Iucundus, who operated during Nero's reign (AD54–68), took a one per cent commission and extended credit to buyers he was confident would sell through him in the future. There is also evidence that the Romans invented the buyer's premium, which was re-invented in modern times in the 1970s. Prior to Nero's reign, the buyer had been required to pay a tax, approximately two per cent half a century earlier in the reign of Augustus (27BC–AD14). Brian Learmount, an authority on the history of auctions, thinks it highly likely that the Romans held a pre-auction viewing, as occurs today.²

If auctions have a long history, so too do art auctions. Auctions were often the medium through which plunder including art was sold. Auctioneers followed in the wake of the Roman army and conducted *sub hasta* ('under the spear') sales of booty and slaves. The auction would be conducted where the soldiers pushed a spear into the ground; this was the early version of 'under the hammer'.³

French Art Auctions

Although art auctions in all major European cities appear to have shared parallel developments, it was not until the sixteenth century that systems of auctioneering were introduced to the major art markets of Paris and London.

Martin Shubik, an expert on the economics of art auctions, believes that the first mention of a public sale of art in Europe dates from 1550 in Paris, although it is not certain if auction or fixed-price sale was employed. Gilles Corrozet, a Parisian writer and bookseller, published a history of Paris in 1550, *Les antiquitez histories et singularitez excellentes de la Ville, Cite, & Universite de Paris, capitale du Royaume de France*. In this Corrozet wrote that religious artworks were saved and smuggled out of English churches in a period when many images in Catholic churches were being destroyed and that art comprised the contents of early public auctions in Paris.⁴

In 1556, an Act was passed in France to legitimize the occupation of the *huissiers-priseurs*, or bailiff-auctioneers. They were given the exclusive rights to appraise and auction estate properties or properties 'taken in execution', including any art that formed part of an estate.⁵ Their title was changed by Louis XIV in 1715 to their present one, *commissaires-priseurs*. A description of a *commissaires-priseurs* auction was provided in *Le Tableau de Paris (Panorama of Paris)*, written 1781–8) by Louis Sebastien Mercier, one of the first French dramatists of middle-class eighteenth century Parisian urban life. This description captured the mood and practices of the auction, as well as reflecting the negative public perception of auctioneers as benefiting from the misfortune of others by profiting from forced sales:

The business of the auctioneer...becomes every day more lucrative. As luxury grows the more numerous become the necessities; the quiet struggle between ease and poverty causes a multitude of sales and purchases. Losses, bankruptcies, deaths, all are to the benefit of the auctioneers when reverses, variations of fortune, or change of place or circumstance call for forced or voluntary sale...The stentor's hoarse cry of 'Silence' hardly rises above the confused murmur of the crowd, passing the articles from hand to hand, inspecting them or disdaining them according to fancy or requirement...This is how things are sold, from a picture by Rubens, down to an old coat out at the elbows...⁶

Mercier's writings also revealed that sales were held in the evenings and that auctions could be seen as democratic in that not only were articles of differing value sold in the same sale, but people from different social backgrounds mixed in the bidding audience. Until 2001, however, the French market was insular and highly regulated, with only French state-run auction firms permitted to conduct sales. Therefore, it was the success of English art auctions which led to

the dominance of the private London auction houses and provided the paradigm for Australia.

English Art Auctions

By the seventeenth century, a number of auctioneering systems were already in use in England — sale by inch of candle (in use from at least 1490), ‘outroping’ (in use from at least 1585) and ‘Mineing’ (in use from 1691). These systems were originally used for selling a variety of goods, including furniture, land and books and appear to have been employed to sell paintings from the seventeenth century.

Sale by inch of candle (whereby the last bid placed as the candle went out was the successful bid) was one of the earliest forms of auctioneering in England and had become the main method by the seventeenth century. However, it was probably the slowness of the practice that led to the development of other approaches in the late seventeenth and eighteenth centuries. After various experimentations with the candle sale theme, the present system of increasing and successive bids triumphed and became known simply as the ‘English Method’. Not much is known about ‘outroping’, other than that it was the only legal method of auctioneering in seventeenth century England, although other methods were tolerated. These include ‘Mineing’ described by Ralph James.⁷ The auctioneer would begin by calling out a high figure and would consecutively lower the amount until someone shouted ‘Mine!’ and clinched the deal.

Public sales of art were conducted by Mineing in late seventeenth century London and appear to have been immensely popular. An advertisement for a Sale by Mineing at Mrs Smythers Coffee House in Thames Street from 12 to 14 March 1691 stated that it was ‘a Method of Sale not hitherto used in England’.⁸ Paintings were exhibited prior to the sale and catalogues were available for perusal in the Coffee House. According to the advertisement, the paintings for sale included ones by ‘the most Famous, Ancient, and Modern Masters in Europe’; namely Titian, Rubens, Van Dyck, Dürer and Rembrandt.⁹ Book and other auctions were often held in coffee houses, as well as taverns and stationers’ shops and by the end of the seventeenth century some of these establishments, such as Tom’s Coffee House, were beginning to specialize in either picture selling or book selling. It was from this increasing specialization that a structured art market began to evolve and painting auctions began to be associated with prestige and wealth.

Advertising has always played an important role in the promotion of auctions and as soon as newspapers were invented they were the primary medium for advertising sales. The *London Gazette* (no. 886) was used to advertise the first English painting auction on 18 May 1674 and the first open book auction, two years later. One assumes that, although books had been sold publicly for some time prior to the first painting auction, these sales had been fixed-price, so that

the first open auction was actually that of paintings. There were twice as many advertisements in late seventeenth century London newspapers for painting auctions as for book ones, possibly reflecting the relative popularity and profitability of the two collecting areas.

There has been a continuous relationship between the selling of books and the fine arts. Many successful art auctioneers began their careers conducting book auctions. Edward Millington, one of the main late seventeenth century auctioneers, was a bookseller by trade, auctioning paintings when they became fashionable and returning to bookselling by 1693–4. He was renowned for using wit, psychology and a theatrical flair for display to his advantage by making auctions a source of entertainment; he used banter to encourage bidding and brilliant artificial lighting as a unique selling proposition. These tactics enabled him to charge a very large commission, probably between 15 and 20 per cent.¹⁰ Samuel Baker, the founder of Sotheby's, also originally specialized in the sale of books.

By the late eighteenth and early nineteenth centuries, auctions were so numerous and so large in volume that the coffee houses no longer sufficed as temporary salerooms and permanent salerooms began to be used. Auctioneers began to reside in the fashionable environs around Covent Garden and the Royal Exchange. Samuel Paterson was one such bookseller and auctioneer located in the vicinity of Covent Garden in the late eighteenth century. Paterson was renowned for selling collections of books and prints and, according to E. G. Allingham, was the first auctioneer to produce scholarly catalogues with 'proper descriptions of the lots' both for himself and on behalf of other auctioneers.¹¹

Other famous eighteenth century English auctioneers included Christopher Cock and Abraham Langford. Cock auctioned books but was better known for his art sales. According to records, Cock had a large company, produced catalogues and charged a five per cent commission up to £40 or £50, using a sliding scale thereafter.¹² Cock and Langford, who appear to have been partners from 1748–9, became experts in all aspects of disposing by auction, foreshadowing the development of large auction houses from the middle of the eighteenth century. Auctioneers such as Cock set estimates for paintings. This did not become a standard practice until 1973.

Auctioneering methods and the composition of stock underwent a change in response to the growing popularity of auctions and the need for a fast and efficient means of disposal. The subsequent streamlining of the method of auctioneering resulted in the emergence of the principal auctioneers and the establishment of the major auction houses in the late eighteenth century, some of which specialized in the sale of art.

Dealers, Artists and Auctions

While auctioneering methods and stock were evolving, so too was the relationship between dealers, artists and auctions. From the late seventeenth century, auctioneers such as Edward Davis, John Smith and Parry Walton capitalized on both the growing public interest in art and discerning taste by beginning to deal in better quality and authentic paintings. Walton was the official Surveyor of the King's/Queen's Pictures from 1679 to 1701 and a pupil of Sir Peter Lely, a fashionable artist and principal painter to Charles II. Walton auctioned works of unimpeachable quality, conducting about six auctions of paintings during the 1680s and 1690s from the collections of the Duke of Norfolk and the first sale of Lely's own paintings and drawings in 1682. He was not only knowledgeable about paintings, but was also an expert salesman, two essential qualities in the auctioneering trade then and now.

Lely's works were auctioned in two sales after the artist's death in 1680; April 1682 and April 1688.¹³ These sales probably contributed to the manifold painting auctions in the 1680s, with many advertisements for auctions at this time promoting them as selling in the style of the Sir Peter Lely sale.¹⁴ In fact, there was such a strong demand for paintings in England in the 1680s that a number of agents and artists became professional art dealers.¹⁵ One of these was the landscape painter, Thomas Manby, who purchased a number of paintings while studying in Italy and auctioned them at the Banqueting House at Whitehall Palace when he returned to London in 1686.

Living artists have also been directly involved in the auction marketing of their own work in the past as in the present. The dealers Lodewyck van Ludik and Adrian de Wees said that the artist Rembrandt often overbid at auction in seventeenth century Holland.¹⁶ Furthermore, there was a market in promissory notes written by Rembrandt, used by those who wished to ensure that he would indeed deliver the paintings he promised, and the artist also bought his own prints at auction in order to maintain high prices, another precursor of the future complexion of the auction market.

Jeremy Cooper, who based most of his overview of the early auction scene on Gerald Reitlinger's monumental work, *The Economics of Taste*, maintains that the art sales records for the late eighteenth century demonstrate that auction rooms played a tiny role in the sale of expensive fine art.¹⁷ His analysis is based on the fact that most auction prices in the eighteenth century appear to be less than £1000, while connoisseurs or artists received much higher prices by dealing directly with collectors. For example, in one of the most prestigious sales of the eighteenth century, the Empress Catherine the Great of Russia paid £3500 in a private deal for the Houghton Guido Reni (probably *The Fathers of the Church Disputing the Christian Doctrine of the Immaculate Conception*) in 1779. The Empress purchased a number of works from Houghton Hall, the estate of Sir

Robert Walpole, onetime Prime Minister of Britain and an avid collector, for £40,555 and had them shipped to St Petersburg in 1779. They are now in the Hermitage Collection.

In the nineteenth century, a number of important dealers were intimately acquainted with auctions. In the latter part of that century, Agnew & Son was a dominant force in the art market, on par with the auction houses and possibly 'Christie's biggest customer'.¹⁸ The nineteenth century French Impressionist and Barbizon dealer, Paul Durand-Ruel, believed that it was a dealer's responsibility to protect the prices of works by the artists in his stable. In order to do this, he bought as many of their works as possible in order to monopolize their market and 'bid up' the prices for his artists' paintings at auction to maintain their public monetary value. The latter practice also occurs today and is now known as ramping.

At the Courbet estate sale in 1881, Durand-Ruel was the expert appraiser. He used what was then a common saleroom tactic by selling in a different order from that listed in the catalogue. The expert would discuss estimates and works with possible buyers prior to the sale and then sell the ones that he considered to be the most popular first. If a work sold unpredictably well, the expert would change the order during the sale, putting up a similar work next in order to capitalize on the momentum. The dealer, Hector Gustave Brame, had a workable price-raising strategy where he would sell a painting for 5000 francs with a signed guarantee that he would buy it back in a year's time for 6000 francs.¹⁹ This method ensured that he made sales and forced market prices up, rather like the stock market. With the painting appreciating in value, the collector would not wish to sell it back to him.

Nineteenth Century American Art Dealers/Auctioneers

There were also a number of important art dealers/auctioneers in New York in the mid-late nineteenth century who were prominent tastemakers and played a key role in shaping that influential art auction market.

Samuel P. Avery, of Avery's Art Rooms, was possibly the most influential player in the fledgling American art market between 1864 and 1880. In order to ensure the authenticity of his stock, Avery usually obtained art directly from contemporary artists. Moreover, he exhorted collectors to invest in art. Ernst Gambart was likewise one of the first specialist contemporary art dealers in the nineteenth century, patronizing living artists such as Bonheur, Holman Hunt, Millais, Alma-Tadema and Dante Gabriel Rossetti. He bought numerous works at auction, paying exorbitant prices — thus drawing attention to himself and pushing up prices.

The American Art Association (AAA) — a private company despite its name — launched in about 1882, aimed to encourage and promote local American art

and opened to instant public accolade. The AAA combined art dealing and auctioneering, although after 1895 it focused on the auctioneering side of the business. Owing to good management and marketing strategies, Thomas Kirby, the proprietor, turned the AAA into the premier firm for the sale of art, one which was frequented by prosperous and notable men such as the railroad tycoon Collis P. Huntington. Both the display rooms and auction rooms were sumptuous and provided an atmosphere conducive to extravagant sales.

Though we know of the theatrical Millington in England, Kirby has been credited with creating the idea of the auction as a public spectacle owing to his handling of events surrounding the Seney sale in 1885. The *Evening Post* declared that ten of the paintings to be auctioned were fakes; however, this served only to intensify public interest. Kirby's (probably empty) threat to sue the paper for libel further increased publicity. The guards protecting the paintings at the auction wore silk gloves and an admission fee was charged, emphasizing the importance of the occasion. The atmosphere was flamboyant — 'The porters, now dressed in Second Empire livery, placed each picture in turn on an easel draped with crimson velvet' — and the sale was a resounding success.²⁰

Not only did the notoriety of the sale assist the AAA to achieve superstardom status, but the contemporary artist, Jules Breton, also achieved great success. Breton's *Evening in the Hamlet of Finistère* (1882) sold on the third and final night of the auction for \$18,200, then the highest price attained at an auction in the United States (Figure 1).

Dealers' Rings

According to records, dealers' rings (which are not exclusive to art auctions) also have antecedents in eighteenth century Paris and London. The aim of the ring, usually consisting of a group of dealers, is to reduce the competition and buy the intended work(s) for lower prices than would be achieved in a truly competitive marketplace; that is, beneath real market value. The members of the ring, rather than the original vendor and auctioneer, therefore reap the financial benefits.

Mercier provided illuminating commentary on an eighteenth century dealers' ring when writing about court-ordered auctions in his *Tableau de Paris*:



Figure 1: Jules Breton (French, 1827-1906), *Evening in the Hamlet of Finistere*, 1882, oil on canvas, 93.3 x 132 cm, Collection of the Paine Art Center and Gardens, Oshkosh, Wisconsin.

In these auctions there is a private feature for which one must always be on the alert, this is called 'La Graffinade'. It consists of a 'ring' of dealers who do not outbid each other in the sales... These sharpers thus become masters of the situation, for they manage matters so that no outside buyer can bid above one of their own ring. When a thing has been run up sufficiently high to prevent any outside bidder making a profit, the ring meets privately, and the article is allotted to one of the members. This arrangement accounts for the high prices which surprise so many persons of experience. The ring does not wish the article to re-appear in the auction room, less it should fall to a lower price than that at which they pretend to have acquired it. This conspiracy against the purse of private persons has driven from the auction room a large number of buyers...²¹

Rings were also prevalent in the London art market and auctioneers attempted to curtail this practice through various means. In the 1920s, for example, Montague Barlow, one of Sotheby's partners, introduced some of the major art dealers to Sotheby's and based their consulting fees on the hammer prices so that it benefited them if works were not prey to rings and sold for high prices.²² The greatest means at the disposal of auctioneers for combating rings was setting reserves and not declaring that lots were bought-in, thus casting speculation on their market value and whether they had actually sold. Nevertheless, Nicholas Faith, a London financial and economic journalist, argues that rings actually benefit auction houses on occasion, including during times when the demand for certain works is slight.²³

Rings, although perhaps unethical, were not illegal in the United Kingdom until January 1928 when the *Auctions (Bidding Agreements) Act 1927* came into force. The Act was a result of a concerted campaign by the media and others taking umbrage at the practice of rings. Art rings became illegal unless the members of the ring informed the auctioneer in writing prior to a sale that they would be bidding as a group; this appears never to have been put into practice by dealers. The Act was amended in 1969 but it was not until 1980 that a successful prosecution was achieved.

The Reputation of Auctions

Against the background just painted, it is not surprising that auctions have been viewed in varying lights over the centuries. An address by the colourful auctioneer Millington included in an auction catalogue of *Paintings and Limnings* at the Barbadoes Coffee-House in London in February 1689 implied that art auctions were considered disreputable. However, there were galleries in this establishment set aside for the exclusive use of 'Ladies and Gentlewomen', implying that attending art auctions was a society occupation.²⁴

When I first essay'd this way of Selling Paintings and Limnings by Auction, I propounded to myself the obliging of the Gentry, Citizens etc and to bring it into esteem and reputation, to make it familiar and acceptable...And that I may remove the Prejudices of some, and the misapprehensions of others, as to the sincerity of the management, I have printed the Conditions of Sale with an additional one, that no Person or Persons shall be admitted to bid for his, of [sic] their own Pictures...²⁵

The snippet by Millington demonstrates the use of conditions of sale and the exclusive sale of paintings and 'limnings' (which from the sixteenth century referred to miniature portraiture). It, more importantly, demonstrates that dealers' rings may have been widespread, with a practice of bidding up their own works, thus adding to the insalubrious reputation of auctions.

In the eighteenth century, those in the art auction trade, and the very trade itself, were satirized in political cartoons and the theatre by artists like William Hogarth. However, this satire does not appear to have focused on attempted fraud such as the dealers' ring, but rather on the mannerisms of the auctioneers. In the nineteenth century, an overriding stigma attached to the business of auctioneering because of its identification with the auction of slaves. Anti-auction sentiments were recorded in Paris, London and New York, the three most important markets for art. In these cases auctioneers were accused of malpractice including causing bankruptcy; providing an instrument for the sale of stolen or fake art; selling inferior goods; corruption, fraud and having a deleterious effect on the business of dealers.

An 1812 London pamphlet, *The Ruinous Tendency of Auctioneering and the Necessity of Restraining it for the Benefit of Trade demonstrated in a Letter to the Right Honourable Lord Bathurst, President of the Board of Trade*, chiefly complained about the perceived corruption of the auctioneers.²⁶ However, the author of the pamphlet heaped praise on the late Mr Christie, whom he called 'Gentleman Christie', while commenting on Sotheby's 'Ruinous as this system is to trade...', the auction houses of Squibb's, Robins's and Leigh & Sotheby's were 'not fit places for the professional classes'.²⁷

It was not until government began to regulate the art trade and the frequency of art auctions, with their growing social cachet, increased that auctioneers and auctioneering began to cast off some of their former unsavoury image. The public perception of auctioneers began to change by the late eighteenth and early nineteenth centuries and some auctioneers, such as Christie and Leigh, were actually perceived to be stylish. Fluctuating social acceptability has permeated the history of art auctions.

ENDNOTES

- ¹ Giorgio Vasari, *Lives of the Most Eminent Painters, Sculptors and Architects*, translated by Gaston Du C. de Vere, introduction by Kenneth Clark, Harry N. Abrams Inc. Publishers, New York 1979, 3 vols, preface to Part 1, p.26. However, it is worth noting that translations do differ as to whether Attalus [Attala] bought the picture, probably at auction, or whether he commissioned it and whether the price was 600,000 or 6000 sesterces. Translations do seem to agree that Lucius Mummius then placed the picture in the temple of Ceres.
- ² Brian Learmount, *A History of the Auction*, Barnard and Learmount, Great Britain 1985, p.7.
- ³ Learmount, *A History of the Auction*, p.8.
- ⁴ Quoted in Martin Shubik, 'Auctions, Bidding and Markets: An Historical Sketch', in Richard Engelbrecht-Wiggans, Martin Shubik and Robert M. Stark (eds), *Auctions, Bidding and Contracting: Uses and Theory*, New York University Press 1983, pp.44–5.
- ⁵ Octave Uzanne, 'The Hotel Drouot and Auction Rooms in Paris Generally, Before and After the French Revolution', *The Connoisseur*, vol. 3, May-August 1902, p.235.
- ⁶ This is reproduced, to a large extent, in Uzanne, 'The Hotel Drouot', pp.236–8.
- ⁷ Learmount mentions Ralph James in his *A History of the Auction*, p.20; however, no bibliographic information is provided, making it extremely difficult to trace the original article. We do know that the James article was based on rare catalogues of the day.
- ⁸ This advertisement is reproduced in Giles Mandelbrote, 'The Organization of Book Auctions in Late Seventeenth-Century London', in Robin Myers, Michael Harris and Giles Mandelbrote (eds), *Under the Hammer: book auctions since the seventeenth century*, British Library, London 2001, p.17.
- ⁹ Mandelbrote, 'The Organization of Book Auctions', p.17.
- ¹⁰ On Millington see Iain Pears, *The Discovery of Painting: the growth of interest in the arts in England 1680-1768*, Yale University Press, London 1988, pp.60–1.
- ¹¹ See E. G. Allingham, *Romance of the Rostrum: being the business life of Henry Stevens, and the history of thirty-eight King street, together with some account of famous sales held there during the last hundred years*, compiled by E.G. Allingham; with a preface by the Right Honourable Lord Rothschild, F.R.S., London 1924, p.13.
- ¹² On Cock see Pears, *The Discovery of Painting*, pp.63–5 and Learmount, *A History of the Auction*, pp.23–8.
- ¹³ Jeremy Cooper, *Under the Hammer: the auctions and auctioneers of London*, Constable, London 1977, p.16.
- ¹⁴ The advertisements were presumably referring to the first Lely sale.
- ¹⁵ On Manby see especially Pears, *The Discovery of Painting*, p.72.
- ¹⁶ Peter Watson, *From Manet to Manhattan – The Rise of the Modern Art Market*, Random House, New York 1992, p.49.
- ¹⁷ Cooper, *Under the Hammer*, p.17 and Gerald Reitlinger, *The Economics of Taste – the Rise and Fall of Picture Prices 1760–1960*, Barrie & Rockliff (Barrie Books Ltd) London 1961, vol. 1; Gerald Reitlinger, *The Economics of Taste – The Rise and Fall of Objets d'Art Prices since 1750*, Barrie & Rockliff, London 1963, vol. 2; and Gerald Reitlinger, *The Economics of Taste – The Art Market in the 1960s*, Barrie and Jenkins, London 1970, vol. 3.
- ¹⁸ Watson, *From Manet to Manhattan*, p.72.
- ¹⁹ Watson, *From Manet to Manhattan*, p.85.
- ²⁰ Watson, *From Manet to Manhattan*, pp.36–7.
- ²¹ Louis Sebastien Mercier, *Tableau de Paris*, Amsterdam 1783. Quoted in Learmount, *A History of the Auction*, p.60 and Uzanne, 'The Hotel Drouot', pp.237–8.
- ²² Cooper, *Under the Hammer*, p.88.
- ²³ Nicholas Faith, *Sold: the Rise and Fall of the House of Sotheby*, Macmillan, New York 1985, p.137.
- ²⁴ Harris, 'Newspaper Advertising for Book Auctions before 1700', p.6.
- ²⁵ Learmount quoted Ralph James in *A History of the Auction*, p.21.
- ²⁶ Part of this pamphlet is reproduced in Learmount, *A History of the Auction*, pp.93–8.
- ²⁷ Learmount, *A History of the Auction*, p.95.