

Introduction

... art auctions are to the twentieth century what watching the king was to the eighteenth, a place to be seen and a chance to see a spectacle: grown men and women spending more money than most see in a lifetime for something noone needs.

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Art auctions are fascinating affairs. Each one is different, a fresh contest played out in the saleroom, the arena in which art and money openly combine, separate and reconfigure. Art auctions are veiled in a mystique beyond their elitist overtones and functional reality. They are places where phenomenal — and well-publicized — sums exchange for works of distinction, while some works stay ignominiously, unexpectedly, unsold; for in the saleroom, 'while the good need not be expensive, the expensive must always be good'.² Fashionable people mingle at the previews, notable people are seen at the auction, dealers and consultants make conspicuous bids — auctions are an established part of the exchange of art, artists' reputations, individual fortunes and cultural history.

Have art auctions always had this role at the centre of cultural exchange? How and where were auctions first used to sell art? How did they get their glamorous veneer? What are the key art auction houses and how have they affected the market?

Pedigree and Panache was written to answer such questions, tracing art auctions all the way from their historical roots to their central and authoritative position in the Australian art market today. In the process a number of other questions are systematically addressed.

Did art and auction houses combine in colonial Australia? Why, how and by whom were Christie's and Sotheby's established in Australia? What has their impact been on the Australian art market and did their arrival result in the internationalization of this market? What trends or practices in the art auction market keep recurring? What do auctions reveal about tastes in collecting? Who were the protagonists to have shaped or participated in the Australian art auction industry? The profile of art in Australia is fleshed out in the process of following key players — auctioneers, artists and collectors — and key works through the course of sales and their later fate.

As art auctions developed in the Western world in the twentieth century, a number of recurring themes began to define the market as we know it today in Australia. Establishing the authenticity of individual works, coupled with an increasing emphasis on scholarship, became important. Art sales also evolved as spectacles and the social status of auctions and auctioneers changed. In tandem

with these developments, the relationship that art dealers and artists maintained with auctions and auction houses often became more complex.

Art auctions have received extensive media coverage in recent years, not least over the manner in which the international auction houses, Christie's and Sotheby's, have conducted their business. Despite the fact that these firms have presented themselves as paragons of 'cultural and corporate professionalism', they have been vilified and/or penalized in the United States for colluding to fix commission prices.³ Ironically, through attracting a wider public audience through the media, 'auction houses have [also] made themselves...more vulnerable to public scrutiny and demands for greater accountability.'⁴

Although some of these themes have been covered in international studies, including Learmount's *A History of the Auction*, Watson's *From Manet to Manhattan* and Cooper's *Under the Hammer*, such works make scant reference to Australia. Only one, Ruhen's *The Auctioneers*, has been written on an Australian auction house (Lawson's). *Pedigree and Panache* thus aims to add to the established international — and burgeoning body of national — work about the art market by providing the most comprehensive study of the development and role of art auctions in Australia to date.

Interest in the Australian art market has grown in recent years. *Art House*, for example (a documentary series I assisted with), was aired in 2004 for a general audience to take a look behind-the-scenes at art auctions at Christie's and Deutscher-Menzies.⁵ It was warmly received by viewers. A number of published works, including Reid's *How to buy & sell art*, Van den Bosch's *The Australian Art World* and Anderson's *Art + Australia*, also address a fairly wide readership.

Pedigree and Panache begins by identifying the international background and context of art auctions. Chapter Two then documents the rise of auction houses, including Christie's and Sotheby's, in eighteenth century London and their twentieth-century expansion into the Australian market.

The art marketing system was relatively unstructured in colonial Australia and Australian collectors generally opted to buy and sell their 'quality' art in the international marketplace, particularly in London. Local auction houses often included copies of Old Master paintings and works of indeterminate quality as part of general sales and it was some time before specialized Australian art auction houses emerged from this unsophisticated market. However, key early art auctions had a great influence on the development of the local art market, as well as on the predilection for contemporary Australian, rather than European, art and on the perception that art provided opportunities for investment. Chapter Three traces these developments and provides a general discussion of colonial and early Australian art auctions, their influences and place in the art market.

Chapter Four focuses on the establishment and early development of two enduring Australian auction firms, Sydney-based Lawson's and Melbourne-based Leonard Joel, principally in relation to specific art auctions held in the 1960s and trends prior to the arrival of Christie's. By the early 1960s, interest in art investment and speculation in Australia was rising. This affected not only the local market and the value of Australian art, but also Christie's decision to open an Australian saleroom in 1969.

The establishment and development of Christie's and Sotheby's in Australia had an impact on the existing Australian art auction market, particularly in the rationalization which ensued from increased and sophisticated competition. Chapter Five explores the establishment of Christie's in Australia; its early sales; retreat from a saleroom presence around 1979; re-establishment in 1984 and subsequent withdrawal in 2006. The re-establishment of Christie's and the establishment of Sotheby's in 1982 also meant that 'auctions became more accessible'.⁶ Christie's auctions were fairly 'low-key' in the early years but when Sotheby's arrived on the scene 'more fanfare' was injected into the Australian art auction market.⁷ This is explored to some extent in Chapter Six, a history of Sotheby's in Australia.

Chapter Seven investigates the introduction of certain auction practices, innovations and marketing strategies to the Australian market by the multinational firms. Although there may be 'no historical precedent for the price structure of art in the late twentieth century', as Robert Hughes claims, there are historical precedents for some practices, such as the use of a buyer's premium, which may have been innovative for the Australian marketplace but are part of a firmly entrenched Western tradition.⁸ Owing to its effective marketing strategies, in some ways the impact that Sotheby's had on the local Australian market is more noticeable and, therefore, more profound than that of Christie's.

Art and money, the sale of art at auction and the public interest generated by media coverage are interrelated, as the publicity given to prices realized at art auctions repeatedly emphasizes the importance of the monetary value of art as a key indicator of aesthetic value. Hence, auctions have become the most visible and effective barometer for defining a work's value. Hughes commented that:

Sotheby's and Christie's have been flogging the benefits of art ownership to the rich on both shores of the Atlantic; art as investment, art as social elevation, art as confirmation of status, art as relic-hunting. The whole rigmarole has done more to debase the real values of art than anything else in our culture.⁹

The auction houses have been vehicles for the art/commodity transaction, which one could say is the 'fruit of a marriage between marketing and standardized demand'.¹⁰ However, American art dealer and consultant, Ben Heller, differed:

'because of their immense power and brilliant marketing skills...we have made Sotheby's and Christie's scapegoats for the pressures and dislocations brought about by the radically increasing value attributed to certain kinds of art.'¹¹ Another American art dealer, Irving Blum, commented that 'An auction result is only one measure among many', yet its very visibility makes this a most important measure, particularly with regards to contemporary art.¹²

The arrival of Christie's and Sotheby's also had a marked impact on some major local Australian auction houses which had held important sales of art, including F. R. Strange, Geoff K. Gray, Lawson's/Lawson-Menzies and Leonard Joel. These firms either initially rallied to the challenge presented by the multinationals, only to surrender later by altering their business focus, and/or pared back their art sales in the wake of increased competition. Other firms for whom art sales formed a large component of their business, such as Phillips/Shapiro Auctioneers, Goodmans/Bonhams & Goodman and Deutscher-Menzies, are founding firms, established only in recent times, possibly as a direct consequence of the pivotal role played by the multinational firms in the Australian art auction market. These firms are the subject of Chapter Eight.

Sir Alan Bowness, Director of the Tate Gallery in London from 1980 to 1988, argued that artists' success can be pre-determined and described by whether they conform to certain criteria or 'conditions of success'.¹³ He claimed that each artist passed through four levels of recognition on his/her way to fame and success: peer recognition, critical recognition, patronage by dealers and collectors, and public acclaim, usually won over a period of approximately 25 years. Bowness also made a distinction between the artist who produces work for public art galleries or museums ('genius') and the artist who produces work for the marketplace ('journeyman'). According to Bowness, 'It is only the museum artists whose work begins to rise to exceptional prices, and of course it is the very rarity of such artists in a supply-and-demand market that accounts for the phenomenal prices achieved today [in 1989] in the auction houses.'¹⁴

Like it or not, the auction houses themselves are now, to varying degrees, involved in determining the progress of artists through Bowness' four stages. I would argue that it is only recognition by other artists which is not influenced by the auction houses. Public acclaim, by Bowness' reckoning the final stage, has become a main determinant in the process of legitimisation through the assiduous marketing conducted by the auction houses.

The tension between the aesthetic and monetary value of art has long been of concern in art market analysis. According to the economist William Grampp 'from an economic point of view, most paintings have been durable consumer goods subject to obsolescence'; that is, the art that is discarded and the art that remains depends on the tastes and incomes of the buyers.¹⁵ Art auctions are innately interesting because they are revealing about changing collecting tastes.

Auction houses play an important role in both reflecting collecting tastes through the stock they source and sell and cultivating collecting tastes when their standard stock is depleted.

In Australia, contemporary art has been fashionable at various points in time. It was auctioned in the colonial era, as is demonstrated by the sale of the contents of Carl Kahler's studio in 1890. However, it was not until early in the twentieth century that Australian art was considered a wise purchase, mirroring a decided shift in collecting tastes and habits. The auction in 1919 of some of the collection of Sir Walter Baldwin Spencer (perhaps best known as an anthropologist) created a demand for the art of contemporary Australian artists, greatly assisting the careers and markets for the likes of Sir Arthur Streeton. There was a renewed enthusiasm for Australian art and of art investment after the 1962 Norman Schureck sale, with auctions once again directly influencing taste and having an impact on living artists and art dealers. Such sales are discussed in early chapters of this study and represent precedents for the current penchant for auctioning contemporary art in Australia.

Australia is, in many ways, an insular marketplace and it is also an intriguing and dynamic marketplace. Furthermore, not all practices adopted overseas have been replicated identically in Australia. In the past, it was thought that one could only look at Australia as a derivative of London or New York — that is, its place in the international market — but it is in fact perfectly legitimate to study Australia as a 'centre' in its own right, while including international parallels or influences where appropriate. Thus, a perceptible undercurrent is the extent to which Australian art and collecting tastes have been internationalized, ostensibly through Christie's and Sotheby's.

Pedigree and Panache has centred on Christie's and Sotheby's as this enabled an examination of the Australian art auction market before and after the arrival of the international firms and provided a roughly chronological structure. This general history of the art auction in Australia narrows in to focus on the period from 1969 (when Christie's arrived in Australia) to April 2006 (when Christie's withdrew from conducting auctions in Australia). This has also necessitated concentrating on Melbourne and Sydney, as these are where the salerooms of the international firms were based and where the crux of the Australian art market has been located. The auction of paintings is the primary concern of this study, owing to the inordinate amount of publicity and high sales figures they generate, as well as representing the established pinnacle of the fine arts. Auction houses are publicly judged by their success with high profile art sales, as we shall see.

ENDNOTES

- ¹ Jeffrey Hogrefe, 'Wholly Unacceptable' — *The Bitter Battle for Sotheby's*, Harrap, London 1986, p.13.
- ² Gerald Reitlinger, *The Economics of Taste — The Art Market in the 1960s*, Barrie and Jenkins, London 1970, vol. 3, p.10.
- ³ Geoff Maslen, 'Final art auctions start under a cloud', *The Age*, 11 November 2000, p.14.
- ⁴ Gertrude Prescott Nuding, 'Saleroom Practice', *Apollo*, July 1988, p.39.
- ⁵ Made by Hilton Cordell Productions and aired on The Australian Broadcasting Corporation (ABC) in August 2004.
- ⁶ Kathryn Chiba, *Dr Joseph Brown: Dealing in Cultural Capital*, MA thesis, University of Melbourne, 1999, 2 vols, vol.1, p.42.
- ⁷ Roger Dedman, partially taped interview with the author, Melbourne, 2 October 2002.
- ⁸ Robert Hughes, *Nothing if Not Critical — Selected Essays on Art and Artists*, Alfred A. Knopf, New York 1991, p.395. This was also quoted in the frontispiece of Peter Watson's book, *From Manet to Manhattan — The Rise of the Modern Art Market*, Random House, New York 1992.
- ⁹ Quoted in Geoff Maslen, 'Final art auctions start under a cloud', *The Age*, 11 November 2000, p.14.
- ¹⁰ Judith Benhamou-Huet, 'Buren, Richter, Christie's et Sotheby's — The Artist and the Auction House', *Art Press*, no. 241, December 1998, p.14.
- ¹¹ Ben Heller, 'The "Irises" Affair', *Art in America*, vol. 78, July 1990, p.53.
- ¹² Quoted in Carter Ratcliff, 'The Marriage of Art and Money', *Art in America*, July 1988, p.80.
- ¹³ Alan Bowness, *The Conditions of Success: How the Modern Artist Rises to Fame*, Walter Neurath Memorial Lectures, Thames and Hudson, London 1989, p.7.
- ¹⁴ Bowness, *The Conditions of Success*, p.11.
- ¹⁵ William D. Grampp, *Pricing the Priceless — Art, Artists, Economics*, Basic Books, New York 1989, pp.74–5.