

End of An Era

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4 March 2005

The Asian Wall Street Journal

P1

English

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[Antique dealers go on buying spree as China tries to crack down on the market]

Hong Kong -- IN A COFFEE SHOP on Hollywood Road, a street here best known for its many antique shops, Marc Richards waits for his mobile phone to ring. A call signals the arrival of fresh stock at one of the Los Angeles-based art dealer's favorite suppliers. Mr. Richards typically budgets about a million U.S. dollars a year to acquire Chinese artifacts in Hong Kong, which he resells to his wealthy clients back in the U.S. The best pieces go to the first dealer on the scene with cash to spend.

Recently though, Mr. Richards has gone on something of a buying binge. He has spent around \$500,000 more than his usual budget on items that include some early Tang Dynasty pottery horses, a pair of gargoyle-like "earth spirits," and a 1,400-year-old sculpture of a camel. They are inventory Mr. Richards is stockpiling in anticipation of possible new U.S. regulations that could drastically curtail his ability to import the Chinese antiquities on which his livelihood depends. If the new rules take effect, he says, "my days as an antique dealer are over."

Mr. Richards and other dealers in Chinese artifacts such as terracotta sculptures, bronzeware and imperial porcelain are girding for the worst as their trade comes under unprecedented attack. Leading the assault is Beijing, which last May formally requested that Washington ban all Chinese antiques over 100 years old -- in other words, virtually all of any value -- from entering the U.S. Supporting China's efforts are archeologists, nonprofit groups and other lobbyists who argue that the sale of antiquities is immoral. That argument has gained a much wider hearing since the looting of the National Museum in Baghdad in April 2003, when thousands of historical relics were stolen in the chaotic wake of the allied invasion of Iraq.

Chinese art and antiquities have long been big business in the West. But the market has expanded rapidly in recent years as China's economy has flourished, bringing a new breed of wealthy Chinese businesspeople into a market long dominated by overseas buyers. Sales of Chinese art and artifacts generate hundreds of millions of dollars in revenue a year for dealers and auction houses such as Sotheby's Holdings Inc. and Christie's International PLC. Private dealers estimate about half of all Chinese antiquities sold world-wide end up in the U.S.

By enlisting the U.S., China now hopes to rein in what it calls a major source of demand for pilfered art. The U.S. State Department is considering Beijing's application, and last month held public hearings to review competing arguments presented by preservationists, museums, auction houses and private dealers.

Under a 1970 United Nations convention on trade in cultural property as well as under U.S. domestic legislation, countries can petition the U.S. to restrict importation of certain artifacts, according to U.S. cultural property lawyer Patty Gerstenblith. The U.S. typically approves such requests, according to State Department officials, and has previously granted import limits to 11 nations. Many Italian antiquities are barred, as are rare Khmer sandstones from Cambodia.

However, the scope of China's request has caught some people off guard. "It's a complete surprise," declares Jay Kislak, a collector of Pre-Columbian art, who heads the U.S. State Department's 11-member cultural property advisory committee. China's submission may be scaled back during negotiations, says a U.S. State Department official, and it remains unclear how soon a ruling could be issued. The Chinese government arm behind the ban request, the State Administration for Cultural Heritage, declined to comment for this article.

"The submission is extraordinarily wide," says Henry Howard-Sneyd, Sotheby's managing director for China and Southeast Asia. He says even tourists bringing home souvenirs could be caught in a web meant to deter major smugglers. "It captures within its net innocent sprats when trying to catch large fish."

He says Sotheby's already complies with laws on traffic in stolen or smuggled goods "and is keeping up with such legislation as it develops." A spokeswoman for Christie's said the auction house "has reviewed the application and has some questions concerning the scope of the request," and intends to propose alternative suggestions to the advisory committee.

An agreement with China would give U.S. Customs agents far greater leeway to seize suspect shipments. Currently, it is up to border officials to determine whether an object is stolen. Under new rules, the burden would move to importers to prove their goods left China before the rule took effect. All other artifacts would need the approval of the Chinese government, which generally forbids such exports.

The export and looting of Chinese relics that Beijing's request addresses has gone on for centuries. But a cottage industry in the pillage of archeological sites emerged in the early 1990s to meet surging demand, bringing a new flood of rare bronzes, jades and terracotta figurines onto the market.

Tsou Heng, a retired professor from Peking University, remembers showing up at an archeological dig in northern China's Shanxi province one morning in the early 1990s to find thousands of farmers frantically digging up his excavation site. "I dared not chase them away because there were so many people," he says. From their hotel rooms, dealers from Hong Kong and elsewhere ordered up items ranging from bronze wine vessels to

Tang Dynasty terracotta horses, he says. "The damage to Chinese relics was so huge," says Mr. Tsou, "there was almost nothing left for research."

Even some of those charged with protecting the cultural patrimony have seized the opportunity to make a buck. In October 2002, 20 buddhas that once belonged to Beijing's Palace Museum came onto the auction block at Christie's. All pieces except one lot were returned, and a security chief for the cultural relics department in the city of Chengde was arrested.

Many looted relics, Chinese officials say, make their way to U.S. shores. As evidence, Beijing's submission to the State Department describes "the appearance of Chinese excavated material in galleries And auctions" as well as "the interception of shipping containers filled with archeological artifacts bound for U.S. ports." China cites several instances in recent years when U.S. or Chinese customs officials seized shipping containers transporting valuable artifacts. One destined for the U.S. and traced to Beijing contained over 2,200 smuggled items "including ancient porcelain, Buddhist stone statues and Tibetan sutras," the submission says.

Beijing's request comes as a movement to restrict the global trade of ancient artifacts gains momentum. For instance, following the looting of the Baghdad Museum -- and after balking for years -- Switzerland signed the 1970 Unesco Convention, which provides a framework for International cooperation to combat pillaging of archaeological material. Last August, the U.S. Federal Bureau of Investigation created an eight-man task force on stolen art, and recently returned some ancient seals that had been brought into the country by a U.S. marine posted in Iraq. And in the U.K., the looting in Iraq generated support for a new law making it a criminal offense to deal in any archeological items excavated after November 2003.

"The sale of antiquities is fueling the deliberate destruction of archeological sites to supply the market," contends Lord Colin Renfrew, an archeology professor at Cambridge University and a major supporter of the U.K. law. China is one of the countries worst hit, he says. "Asian art in general hasn't come under the same scrutiny as illegal exports from Greece and Turkey and the classical world."

Cindy Ho wants to change that. A graphic designer living in New Jersey, Ms. Ho founded a nonprofit organization called Saving Antiquities for Everyone, or SAFE, to educate the public about the illicit trade in antiquities. Born in Hong Kong, Ms. Ho remembers trips into China where she would wave off peddlers selling ancient curios in the market. "Maybe because I'm Chinese, I've always known that when something is that old it belongs to all of us," she says.

But it was only after reading about the looting in Iraq did she decide to get involved. "I felt the U.S. government should be doing more," she says. Taking a leave-of-absence from her job, Ms. Ho submitted a petition in support of China's request with 500 signatures.

Another of China's supporters is New York assistant district attorney Matthew Bogdanos. A former boxer, Mr. Bogdanos is also a Marine reservist who led the initial operation to recover artifacts stolen from the Baghdad museum.

Mr. Bogdanos remembers he was heading a counter-terrorism team in Basra when he learned about the looting. "It was as if Persepolis, the Louvre and Stonehedge were blown up on the same day," he says. His strategy for recovering the stolen Mesopotamian masterpieces was maximum press exposure: "My goal was to make every single piece stolen from the Iraqi museum recognizable to every Lithuanian customs official or Chilean police officer," he says. Of as many as 15,000 objects stolen, more than 5,200 have since been recovered.

Now back in the U.S., Mr. Bogdanos wants to establish a special task force within the New York district attorney's office to investigate patrimony claims from countries such as China. His target is the collectors.

"Those wealthy Madison Avenue and Bond Street collectors' behavior is indefensible," he says. "Each time they buy a stolen antiquity, they are depriving the world of yet another glimpse into our past, closing the door just a little bit more each time."

Banning the import of Chinese antiquities isn't likely to put an end to either looting or smuggling -- rather, dealers note, it is more likely to drive the trade underground, and push prices for available goods even higher. Some dealers also note that traders and auction houses in China stand to benefit from such a ban. Already, sales at homegrown auction houses, which have reached more than \$50 million annually, are booming. China's government recently gave domestic traders in art and artifacts a boost by amending its cultural protection law decriminalizing ownership of some antiques that had long been stigmatized.

"It smells fishy to me," says Michael Teller, an art dealer based in Virginia who trades in Chinese tomb objects and stands to lose a lot of business if a ban -- even a partial one -- comes into effect. "The removal of a large amount of Chinese antiques through the U.S. auction houses and other U.S. venues removes the major competition from China's new enterprises," he says.

Recently, Mr. Teller, too, paid a trip to Hong Kong to build up his inventory. At Lam & Co. Chinese Antiques, he eyes the shelves filled with Han Dynasty horses and figurines of women from the Tang Dynasty imperial court, known in the trade as "fat ladies" for their apple-like cheeks. In the back of the store, an analyst is trying to weed out the fake ceramics by drilling into the base of figurines and shipping core samples back to a lab in London to test the age. The store's proprietors say business from London-based clients has dropped 60% since the U.K. restrictions on antique imports took effect. Now they are working overtime to service the wave of U.S. dealers.

In statements submitted to the State Department, U.S. dealers have argued that their trade actually helps cultural preservation. Mr. Teller, one of many U.S. dealers who submitted

statements, cites instances in China when artifacts were destroyed through construction projects. These include an enormous dam China is building along the Yangtze river that has flooded thousands of tombs, annihilating priceless historical relics. While condemning the looting of important cultural relics, he calls this problem "miniscule compared to the unabated destruction by government and private industry." He speaks of his clients "doing a service" when they buy objects that might otherwise be destroyed.

One of those clients is Jim Henderson, a 67-year-old professor of torts and products liability at Cornell Law School in the U.S. At the height of the dot-com boom, Mr. Henderson fared well in stocks and spent thousands of dollars on lacquered wood figurines from China dating back 2,400 years to what is known as the Warring States period. Mr. Henderson says he was so swept up in his new-found collection that he began to learn Chinese so he could read inscriptions and spent thousands of dollars repairing the pieces. "Having these pieces is a surge of enjoyment," he says. "It's like adopting 20 children."

Mr. Henderson admits to feeling some pangs of remorse about collecting recently excavated artifacts. But he doesn't believe a ban will eliminate smuggling or improve China's commitment to preserving its cultural heritage. It will, however, drive up prices, he figures. "If I was a dot-com millionaire investing in these things," he says, "and someone said there's going to be an embargo, I'd be doing a little dance."

Marc Wilson, director of the the Nelson-Atkins Museum of Art in Kansas City, Missouri, acknowledges that China's requested ban would probably cut down on looting. But he, too, thinks that other factors may be at play. "The art market within China is taking off and there's a lot of people who stand to make more money in China than the combined markets of London and New York," he says, adding: "I'm personally thinking of selling some important contemporary paintings" to buyers in China. But Mr. Wilson also argues that in the debate over cultural heritage, the importance of sharing that heritage with the world hasn't been fully appreciated.

The Nelson-Atkins boasts one of the best collections of Asian art outside Asia. Of some 28,500 objects in its possession, 6,800 hail from China, ranging from ceremonial bronze vessels dating back more than two-and-a-half millennia to collections of early Chinese landscape paintings from the 10th through the 13th centuries. Most of the museum's collection was assembled in the 1930s and 1940s. But there have been more recent additions: a celadon architectural model bought from a collector at auction in 2001 for \$130,000, and a bronze object that may have been used as a door support bought from New York dealer James Lally for about \$100,000 around the same time.

If museums can't display objects of quality such as these, Mr. Wilson says, average people will have a tougher time learning to appreciate and respect China. "It's very shortsighted," he says.

In Hong Kong, the way station for much of China's exported artifacts on their journey to collections abroad, dealers along Hollywood Road such as Lily Li are preparing for the

worst. Ms. Li is a foot-soldier of the trade who purchases items in Guangzhou and brings them to Hong Kong. Once the antiques reach Hong Kong they can get legal export permits.

Over two decades of trading in antiquities, she has been arrested seven times in China, she says. The first was in 1989 when 20 of her containers of bronzes and terracotta items from tombs were confiscated on a train heading from inland Henan province to coastal Guangzhou. More recently, in March 2003 she was detained in Shenzhen after a trip to New York where she owns a small gallery on West 25th Street.

"I was detained for 10 months because the Shenzhen customs caught someone who said they bought the antiques from me," she says. "Once anyone knows you are involved in the antiques business, the police come and ask for money for no reason and don't even give a receipt," she says. She says she was forced to spend hundreds of thousands of dollars to secure her release.

Yet despite repeated arrests and intimidation for allegedly smuggling antiquities, she has never considered quitting the trade. Until now. If the U.S. follows through with China's request, "This will close me down," she says.
