

DIAMOND



Insight

PENETRATING
THE
MULTI-FACETED
WORLD OF
DIAMONDS

Vital intelligence on the
World's important stones, future
price indicators and key
individuals behind the trends

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GREAT JEWEL COLLECTORS OF MODERN TIMES

By Nicholas Courtauld Rayner

Countess Mona Bismarck
Count Guy du Boisrouvray
Richard Burton
Elizabeth Taylor
Lady Lydia Deterding
Marlene Dietrich
Maria Felix
The Hon Daisy Fellowes
Ava Gardner

Florence Gould
The Hon Clare Boothe Luce

Stavros Niarchos
Imelda Marcos
Simon Patiño
Roberto Polo
Commandant Paul-Louis Weiller
The Duke of Windsor

There is one denominator common to this unusual list of distinguished people: A passion for jewellery. "Gemstones for me are the beauty of the earth and jewellery is my expression of love". This lover of jewellery is Simon Patiño, the renown South American tin magnate. Born into a simple Bolivian family, his vast fortune was founded on a lucky discovery of ore in a remote area of the Andes. As a miner he was drawn to the rarest and most beautiful minerals the earth could produce. His preferred stone was the emerald for which South America is so famous. His was the eye which chose the emeralds for the magnificent parure eventually worn by his daughter Luz Mila.

Luz Mila herself married another miner, Count Guy du Boisrouvray. He had graduated from the prestigious mining school, the Ecole Centrale in Paris, before practising his profession in French Equatorial Africa. The Boisrouvrays later moved to New York where, to add to his father-in-law's emeralds, Guy collected jewels set with the rarest sapphires and rubies. His knowledge allowed him to choose only the best and in this he was ably assisted by a great expert of the day, Louis Arpels. Guy du Boisrouvray not only adorned his wife but, as much as custom allowed, himself as well. One of his more remarkable accoutrements was his scarf toggle set with a rare six carat fancy intense pink diamond.

During the same period, several ladies of independent means were collecting from a different point of view. For them effect and design were paramount. Daisy Fellowes, scion of the Singer sewing machine fortune, purchased the

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famous 17 carat 'Ram's Head' pink diamond for which Elsa Schiaparelli created her new 'shocking pink' colour. About the same time she acquired from Cartier a spectacular carved sapphire, ruby and emerald necklace. Three years ago it sold for a record \$2,650,000. Few would have the courage and character to purchase and wear such a piece, but for both effect and investment, Daisy Fellowes's choice paid off handsomely.

Barbara Hutton, the Woolworth heiress, Florence Gould, daughter-in-law of the American railway baron, Lady Lydia Deterding, wife of the co-founder of Shell Oil, all owned extraordinary jewels. But it was Countess Mona Bismarck who built up the most outstanding collection. She was an unusual woman. Balenciaga, Givenchy and Coco Chanel together christened her "*La Femme la plus elegante du Monde*". And so it was with her jewels. None were ordinary. All were fine and she wore them with characteristic flare. Only she would have had mounted as earrings a pair of 3.5 cm long emerald drops to stand up from the lobe. She possessed everything from a delicious 19th century ruby necklace to a step-cut 31.77 Golconda diamond ring. But it was her two-strand necklace of superbly matched natural pearls graduating to 15 mm which she wore most. She donated the huge sum realised from her jewels to promote the Arts and foster Franco-American relations. A job she did with more style than any ambassador.

Clare Boothe Luce was the American Ambassador to Italy in the 50's. 'La Luce Americana' once wrote succinctly: "*In America money is a thing less valued in the spending than in the earning. It is less a symbol of luxury than of 'success', less a corruption than a virtue*". And with an easy conscience she too built up a remarkable collection of jewels.

American success was personified by the stars of Hollywood. Their success was often reflected by their jewels. Ava Gardner owned superb emeralds. Maria Felix commissioned an alligator necklace shimmering with one thousand yellow diamonds. Marlene Dietrich wore her own spectacular ruby bracelet in Hitchcock's *Stage Fright*.

A famous sale in recent years was billed as the Jewels of the Duchess of Windsor. But it was the Duke who must be acknowledged for them. He was intensely interested in dress. 'The Windsor Knot' and 'The Prince of Wales Check' are still with us today. His interest in jewellery followed naturally. He was known to spend long hours with the preeminent designers Jeanne Toussaint of Cartier and Renée Puissant of Van Cleef and Arpels. The Duchess's inclination for fashion and the Duke's appreciation of quality, design and colour gave their collection a theme which is recognisable throughout its span.

The opposite can be said for collectors of the great gemstones. Size, shape, colour, cut and purity are their qualities which endure forever. Only the owners change. Commandant Paul-Louis Wieller, resistance hero and industrialist was pleased to purchase the Jubilee diamond in 1947. Weighing 245 carats, it is the third most important known, privately-owned fine white diamond in the world. It is too big to wear. The Commandant kept it in a safe for some thirty years, but just its temporary ownership gave him a good deal of satisfaction. Rumour has it that it also gave him a good deal of profit.

Cardinal Mazarin, Count Orloff, The Nizam of Hyderabad all gave their names to great diamonds. The custom continues today. The Taylor-Burton is a 69 carat D Flawless pear-shape which Richard Burton gave to his wife in 1969. Stavros Niarchos christened a pure white 128 carat stone. A 63 carat gem Burma sapphire was named after John D Rockefeller.

This same stone was eventually bought and sold by Roberto Polo, a young Cuban investment banker. Polo cleverly invested part of the fund he managed in fine gemstones. Through his willingness to engage the most experienced experts, his own unusual knowledge, his impeccable taste and his courage in paying high prices, he put together fourteen extraordinary stones which together constituted the finest collection of stones that the world market has ever seen. In 1988 when the collection was auctioned, to considerable excitement, his 14 carat bright lemon-yellow marquise diamond made a record \$76,000 per carat; his intense orange diamond - \$186,000 per carat; his 20 carat pink - \$215,000 per carat; his 3 carat very rare green - \$500,000 per carat. His emeralds, rubies and the Rockefeller Sapphire also made record prices. Through his good judgement in selecting only the rarest stones, Roberto Polo, in just a few years, could have made an added value, which would probably have turned into a healthy profit for the investment fund had circumstances been different.

If there is a message in this short article it is addressed to the privileged few who are in a position to collect. It is not difficult to acquire the fashionable design or the stone with a perfect certificate. But collectors worth mentioning have all gone further. Aided by the best expert advice they have carefully avoided the ordinary; invariably selecting stones or jewels of unique character. Owning such jewels allowed them and their ladies a very special satisfaction.

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Until recently Nicholas C Rayner was responsible for Sotheby's Jewelry Sales in Switzerland and Chairman of Sotheby's Geneva. He was also the expert in charge and auctioneer for the sale of the jewels of The Duchess of Windsor.

DIAMOND UPDATES

THE 19.66 FANCY PINK:

Roberto Polo's fascination with record-breaking gems will never end.

Diamond Insight reported in January that a cut-cornered rectangular-cut fancy pink diamond of VVS2 clarity weighing 19.66 carats was sold to Sheik Fitaihi at a Christie's auction in Geneva in November 1994, for a record price of \$7,421,318 or \$377,500 per carat. Immediately after the sale the Saudi retailer thought to name the stone 'Desert Dawn', nonetheless it was never officially named.

This pink diamond was formerly part of the exceptional jewelry collection assembled in the mid 1980s by the Cuban financier Roberto Polo on behalf of a group of Mexican investors operating through Private Asset Management Group Ltd (PAMG). Because of a very complex - and bitter - lawsuit, the collection had to be liquidated at auctions held by Sotheby's in St Moritz, New York and Geneva in 1988.

The pink diamond was sold in New York in April 1988 to Mr Al Khuli, an international gem investor, for \$4,730,000 or \$236,500 per carat including premium. Interestingly enough, its weight at the time was exactly 20 carats. The stone only reappeared on the scene at the beginning of 1994, when it was recut to its present weight of 19.66 carats by Ishaia Gol in New York, further improving its color and scintillation while the clarity grade remained the same VVS2 because of graining. It was said to be one of the most beautiful gems ever seen.

Roberto Polo, in a recent letter to *Diamond Insight*, writes: "I think that the purchaser of the twenty carat, VVS2,

emerald-cut pink diamond committed a regrettable mistake in recutting the stone. One does not recut Golconda stones, especially one of such extreme rarity! On behalf of the Fund I managed for my clients, I paid Mr Theodore Horovitz (a noted Geneva dealer) \$2,750,000 (or \$137,500 per carat) on July 6, 1986. PAMG Ltd as Agent sold it for \$4,300,000 (hammer price)."

Mr Polo, after serving time in preventive detention in Italy and the USA, is currently detained in Champ Dollon, near Geneva. In his letter to *Diamond Insight* he adds: "I will finally be tried in 'Cour d'assises' (before a popular jury of twelve) from June 12th through the 19th, 1995, for Breach of Trust. The alleged Breach of Trust consists mainly in having invested the civil plaintiffs' funds in other than exclusively bank time deposits without their authorization, i.e. mainly in works of art and, my specialty, jewelry. I will prove my innocence. The Prosecutor waived his right to pursue me for Fraud and Dishonest Management. The U.S. refused to extradite me for Falsification of Documents and Suppression of Documents. The Prosecutor has stated that he will request a five to seven-year sentence. By the trial date, I will have already served what is equivalent here to over a five and a half year sentence (over forty-four months in 'preventive detention')."

"Roberto Polo was the star of the art market. His talent allowed him to invest his clients' money in works whose value went up. One complaint and a rigged warrant by a Geneva magistrate were enough to cause his downfall", *Hebdo*, a weekly Swiss magazine wrote in May 1993.

GENERAL NEWS

First 1995 bi-annual CSO/IsDMA meeting

The first of the bi-annual meetings of 1995 between the Central Selling Organisation (CSO) and the Israel Diamond Manufacturers Association (IsDMA), was held in London on Wednesday 3rd May. The CSO delegation was led by its managing director, Mr Gary Ralfe, and the IsDMA by its newly-elected president, Mr Yigal Hausman - who was accompanied by Mr Gershon Stchik, senior vice president and new head of IsDMA's CSO Committee and Mr Zvi Schur, general manager.

In welcoming the new president and his colleagues, Mr Ralfe stressed that the CSO attached great importance to these meetings which were an important forum for an exchange of views on many issues affecting both the local Israeli industry as well as the international arena. Mr Ralfe

paid tribute to Mr Uri Schwartz, the immediate past president, for his leadership over the past seven years and said he looked forward to continuing strong links and mutual support between both parties.

The IsDMA reported that the Israeli industry achieved record polished exports of US\$3.46b in 1994 which was an increase of 15% over the previous year. The upward trend in polished exports continued into the first quarter in 1995 with exports of just over US\$1b being achieved for the very first time (the first four months of 1995 showed a 16% increase). The average price of these exports reflects a marked shift towards the manufacturing locally of larger and more expensive rough diamonds. However, despite this substantial improvement in export figures the industry continues to suffer from an erosion of profit levels and squeezed margins. The projected forecast for polished

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