## COLLECTING

# Taking the Art Market's Pulse

## New York sales went well, but caution persists

By Joan Westreich

*New York*

WHEN the world's stock markets came crashing down last month, the tremors extended to the well-appointed offices of auction houses in London, New York and Geneva. There was dire talk of an abrupt halt to the record-shattering climb in art prices in recent years.

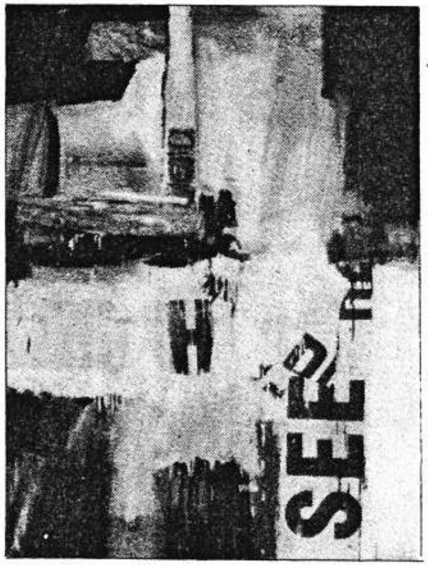
An initial test of those worries came last week in a round of contemporary art auctions in New York, the first of the important holiday sales season. The tentative assessments were that the market had indeed felt a jolt, but the damage so far seems minimal. If anything, the results give new testimony to the multilayered nature of the global art market.

Not surprisingly, the best works were sold, while lesser offerings of top artists and paintings with lofty reserves — or minimum selling price — went begging.

Robert Rauschenberg's "Backwash," an abstract study of paint and lettering from 1959, went for $814,000. That was a record price for the artist, and almost doubled the previous high. The work was bought by an unidentified collector at the Sotheby's sale, which brought in $17.7 million, the second-highest total ever for an auction of contemporary art.

At a Christie's auction the night before, Francis Bacon's "Figure with two Owls — Study After Velázquez Innocent X" was sold for $1.3 million, and the artist's "Study for Portrait of P.L. No. 1" garnered $858,000. But works by Jackson Pollock, Frank Stella, and Mark Rothko, among others, had no takers.

With $7.8 million in sales, the Christie's auction earned significantly less than the pre-crash estimates of between $9.3 million and $12.9 million. "Those reserves were set six months ago at the height of the bull market," reminds Robin Riley, Christie's fine art publicist. "When you have an inflated [art] market, there is always a natural weeding out."


'Backwash'

Vitality persists in a number of sectors. In recent weeks both Christie's and Sotheby's had successful — sometimes record-breaking — sales of jewelry, silver, books and furniture. "London and European sales have remained strong," observed Michael Ainslee, president and chief executive officer of Sotheby's Holdings Inc., the auction house's parent company.

The results of the contemporary-art auctions buoyed the spirits of New York dealers, but a strong sense of caution prevails. Dealers say a number of corporate clients and individuals who do not fall into the category of ultrarich collectors have canceled purchases or put them on hold. Ronald Feldman, a SoHo gallery owner, says a client who withdrew a painting for sale after the crash was "waiting to see what [could be considered] a reasonable price after the auctions."

John Koegel, an attorney who represents artists, dealers and collectors, believes that "we've already seen the alleviation of the immediate fear of depression." But there is still considerable trepidation, he says, because of "the very close relationship between the health of the financial markets and the New York art market."

Mr. Koegel feels that gallery sales of contemporary art are going to suffer a bit. Rather than a general decline in prices, which dealers would resist, he sees "a cooling off of increases." But Mr. Feldman says "works that are not first-rate will probably drop in price."

Support for the market flows from the reluctance of owners of quality works to sell, and the view of many collectors that art represents a haven for their wealth in times of uncertainty.

"I spent the days after Black Monday furiously shaking the trees to see if I could find any apples to buy," reports Richard Feigen, a New York dealer. Far from being unsettled by foreboding talk, many owners said they "felt safer in paintings than elsewhere," he says.

Mr. Feigen suggests that art could become "a haven for funds afraid to be in the dollar or the stock market." Observes Mr. Ainslee: "In hard times, people invest in tangibles."

For the big-money investors, though, the fluctuations of the stock market will matter little. Ikkan Sanada, a consultant to major Japanese collectors, who tend to favor Impressionists and modern masters over contemporary, says his clients "view art as a long-term investment" and are "not really affected" by the stock market. Mr. Sanada's clients includes dealers in Japan and wealthy individuals, many of whom are entrepreneurs in the 40s.

This week's auctions of works by the Impressionists will be closely watched for further evidence of the art market's health. Mr. Ainslee reports global interest in van Gogh's "Irises." "We know of buyers from at least five countries who are interested," he says.

After March's watershed auction of the artist's "Sunflowers" for $39.9 million, it will be instructive to see whether "Irises" surpasses Mr. Ainslee's $25 million to $35 million estimate.

Mr. Sanada says he might have the right buyer. One of his clients, he says, "is seriously interested." But of course, he adds without a trace of irony, that's only "if the price doesn't go too excessively high." □