



And dealer input is not included in this first test study.

Why not?

Because dealer input is the most complex. Auction houses produce a public [transactions] record. Dealers do not.

A major drawback.

I spent March and early April doing in-depth interviews of London dealers, and guess what? They are remarkably open to the idea of contributing actual transaction data, data that once we have a critical mass of we can audit on comparative bases. The London art economy is experiencing problems right now, what with EU taxation issues. Perhaps because of that the better dealers have become very alert to the potential needs of the world art economy.

How are you going to handle the secrecy of the art economy?

Our challenge is to create an auditable trail of dealer [transaction price] data, which for statistical and sampling purposes is valid, to go into our Black Box along with auction house data. And which will maintain the privacy that dealers need for their clients.

Some dealers won't play—or, worse, will give you false data.

With our wide database, submissions will be increasingly auditable. It will become obvious that the provision of accurate data will help dealers. It will make them part of a broader, growing market—in short, make money for them. Part of our output will be to rate the best places around the world in which to participate in the art market, and I think that will put pressure on dealers, even peer group pressure from other dealers in the same city. And pressure from bankers who deal with wealthy clients wanting to invest in art. Once our indexing system exists, bankers can include art assets in client portfolios, and clients can demand that financial advisers provide service in that area.

You want to take the mystery out of art pricing.

When I was an area director at the Met, I attended monthly board meetings with our trustees, some of the most successful people in the world, but it seemed that when it came time to discuss art and the art economy, all terms had to be defined for them from scratch. That's a gap I believe we can bridge. ■