

*“Natural pearls, once and still, so rare an object not for all men to possess,  
an object not even for all men to see, so precious this natural pearl,  
a wonder for the eye, an interest for the mind in all who behold her beauty.”*

*K.C. Bell*

To Her Royal Highness Princess Haya Bint Al Hussein, to his highness, Sheik Mohammad Bin Rashid Al Maktoum, and to his highness, Shaikh Khalifa bin Zayed Al Nahyan. I salute your foresight and action. To all the people in the DMCC from bottom to top, I congratulate the organization and all those people and organizations associated with this great accomplishment we are all part of, and most of all to all of you very important people who have been brought together by your interest in the sound “pearl.” Your brilliance has brought you to this forum – a celebration of the most sought after pearl.

I must tell you I am so fulfilled to stand before you to share my humble opinions about this small relatively tiny organic gem that has featured so greatly in mankind’s development in so many realms. This flower of eternity.

When first discovered, pearls must have seemed an astonishing product of nature. A gift from the gods in man’s search for food. Their symmetry and pristine pale colors were attributes so unusual in the natural world as to suggest the concept of spiritual perfection. This characteristic of the divine led to symbolic significance for the pearl. When thinking of a precious gem hidden within a rough defensive outer shell, it is an easy leap to understand a natural pearl symbolizing the soul of man.

In the idiom of languages all over the world, there occur through all ages, words that excite special feelings by their associations. Some speak of charm and preciousness, virtue and purity. The word pearl belongs here; and because of the pearl’s origin and formation and rarity, the word pearl became wrapped in a veil of mystery. Romantic

fables intertwined with early scientific theory illustrated believable concepts about the origin of the pearl. Throughout history, natural pearls have fascinated the eye and the mind of all living and have always been prominent amongst the wealthy and powerful and have always been considered treasure, taking a strong position with other objects of high value. At times, perhaps more valuable by weight than any other object on earth. From time immemorial the pearl has been used to illustrate whatever was pure and beautiful, the pearl being the symbol of modesty.

Natural Pearls fascinate a native in the jungle by the seashore and they fascinate educated royalty in a palace. This fascination linked in a timeless universal fashion by a common human procedure, simple observation. Light, this phenomenon from the sun, brings us life and sensation. Light stimulates our optic nerve and in turn our brain, leading to thought and imagination. We live through our senses and imagination.

Let us consider light. The renaissance painters tried to focus light in their paintings on a particular point on a particular subject to center the experience and draw us into the illusion. Every fine natural pearl, whether round or baroque, has this same point of light – to draw in the eye and seduce the imagination. The pearl a muse to poets is no wonder. With light we see the pearl and instantly the allure begins. The pearl responds to the light, reacts with the light, reflecting, refracting, and instantly the powers of our brain through our senses are analyzing, imagining possibilities, creating ideas, thinking. This experience, the simple observation of a pearl in light, has given rise to art, poetry, science, trade, valuation, and symbolism. The universal symbols of our humanity, symbols of our very existence, symbols trying to express our innermost feelings, ideas of love and emotion, attachment. Beauty. All this represented by a gem formed inside the simplest of creatures, a creature unchanged for millions of years. Through observation and this associated symbolism we elevate this nacreous pearl to high art and royal treasure, bringing satisfaction to man by simple possession. A human being, light from the sun, and this curious lustrous gem, and, today our minds read the same cherished symbols into objects that intrigued man three thousand years ago.

No other object in our existence brings such intense and strong, yet benign emotions. Only a pearl. Again, a universal human feeling, the same now as thousands of years ago. The same here as on the other side of the planet. A native fisher overjoyed at the good fortune of finding a natural pearl. A diver, captain and crew elated upon discovery of pearls in their shells. Sometimes this is accompanied by the excitement of making a small fortune or spending one. A father gives his daughter her first pearl necklace. Historically, nobility have felt proud and secure in presentation and possession in their treasuries of natural pearls and gems. A woman clutches her pearls to her heart with memories. Her grandmother's pearls to her heart. The magnitude of what is represented is easily not seen but when the symbolism is realized, the grandness and representation of time, dedication, life and death, the human essence envelopes the moment. Pearls are truly inspiring.

Natural pearls were forming long before humans even appeared on earth. Truly, so simple an object from the humblest of origins, yet so important in our human history, close to us both in the physical and the psychic sense. What other object has carried through time with such majestic symbolism?

Today, with the advent of multi-million dollar ad campaigns, objects can be given symbolic meanings, from the fastest, lowest, sleekest car to the tallest, thinnest spike-heeled shoe. Because of the relatively short time that advertising has been around, we cannot prove how enduring these new symbols are. I imagine they will fade with time and fashion.

Every native fisher of pearls I have met in this last thirty years first took his pearls home to his loved ones – his girlfriend, wife, mother and daughters. Really? What strikes in a man's mind when he risks his life to dive into the depths of the sea primarily to find food comes up with a bag of sea creatures perhaps some times this pretty stone he finds and one of his first thoughts is "look at this wonderful pearl" – "I will take it home to my

wife.” I think here working a universally human cause and effect – beauty to be shared with love.

Pearls are literally a universal symbol of time from the millions of years they have been unchanged on the earth to the birthday present of a little girl; from marking the accomplishments of a young lady to the beautiful necklace of Marie Antoinette of France to the necklaces of Catherine the Great of Russia. In the treasures of the Romanoff’s, several of Catherine the Great’s priceless necklaces are composed of hundreds of large round and almost round pearls; some of which were ten foot ropes, one purported to have taken eight generations to construct. Natural pearl necklaces of such phenomenal proportions are truly astounding especially when we realize that a successful pearl diver may have been lucky to find only a few large pearls in his life time. A necklace like this represents how many life times, how much collecting, saving, trading, matching? How many ships captains, how many crew members, how many seasons, how much luck, how much time and concentrated, dedicated human effort to make a necklace for a Queen?

The majority of natural pearls discovered in history have been small pearls, tiny pearls, pearls weighing less than a grain, pearls the size of a poppy seed, called dust, or seed pearls. In pearl jewelry, from hundreds of years ago to the turn of the twentieth century, the majority of fine natural pearl jewelry would have been hand-worked, gold or silver adorned, with natural pearls from less than 1mm to 4mm. A fine large natural pearl is a very extraordinary phenomenon of nature. The phrase “one in a million,” comes to mind – a very rare occurrence.

The natural pearl is a pearl of supreme value. The most sought after pearl? Perhaps the mirror image of man’s essential nature – light and brilliance. Any gem pearl that is a fine example of its type is the one most coveted by the collector. To single out one type of gem pearl limits the scope and appeal of all natural pearls worldwide. All natural pearls have the qualities to engage us, to draw us in, to make us think. A rare and unique pearl is a natural pearl – one resulting through absolutely no human intervention. The universal attraction to the pearl is ingrained in our psyche. Consider for a moment the

way we as gem dealers view pearls. Unlike the way diamonds and colored stones are viewed, immediately at close magnified range, pearls are held at arms' length. The pearl draws us in as we bring the pearl towards us for examination and involvement. Rather than inspecting them, we allow the pearl to exude an all encompassing sensation of beauty, a feeling more akin to appreciation. How do we first see this light? What is the source of this attraction to the light we see in a pearl? I suggest it all relates to the very beginning of our consciousness, the brightness and roundness of the sun, the reflection and fullness of the moon, the luster of the ocean on a moon lit night, and from science the smooth round and elliptical paths of electrons around the nucleus inside the atoms of our own basic composition. These energy paths could trace the outline of a round or baroque pearl. This all personifying the eternal circle of our own lives, man's life. The pearl is a symbol of life. Today in the latest mathematical imagery, the symbol of the circle is used as a metaphor for nothing and for everything and all the endless parts in between.

History, the rightful owner, will always hold the treasures of time and man's fascination whether this be knowledge or objects held in high esteem, cherished and developed for continued use in the evolution of mankind.

Upon close observation, natural pearls have reemerged as an extremely viable entity of the jewelry industry. In April of 2007 at a Christies Magnificent Jewels Auction a collector from Asia paid a record price, a bit over seven million dollars for 68 matched natural pearls – almost two hundred years old. These 68 pearls, strung into a two line necklace, were part of a grand seven line necklace known as the Baroda pearls. Part of the Baroda Royal Treasury, described by George Kunz, the famed Tiffany gemologist, as “the greatest jeweled treasure of India.” The previous record for natural pearls was set in Geneva in November 2004 at \$3.1 million dollars, also for a two line necklace. The advent of the 21<sup>st</sup> century ushered in revitalized interest in natural pearls from all worldwide sources. Vigorous market indicators – notably in Europe, the Arab Emirates, New York and the Orient – show that record prices are being paid for important Oriental pearls from earlier centuries, as well as types of natural pearls produced by other

mollusks including abalone, conch, scallop, melo melo, clam, and the giant clam *tridacna gigas*.

In addition to oriental pearls, there are many types of natural freshwater pearls found in many waterways throughout the world. Of special importance is the American Natural Freshwater Pearl found in eighteen states. No other country in the world equals the United States in freshwater mussel varieties. While all of Europe supports only twelve species nearly 300 kinds live in the U.S. mostly within the vast watershed of the Mississippi River.

Freshwater natural pearls are rarely round or semi-round. Usually baroque, they mimic organic shapes, in the colors, white, silver, pink, gold, bronze, yellow, green and more often than not with a satin luster.

The pearl bearing mussels of most European species are hardly ever seen anymore. The famous freshwater pearls of Scotland, England, Germany, France and Russia are hard to find outside of Royal Treasuries and special collections. The same can be said for the American freshwater pearls. These pearls are not found today like they were even 40 years ago. Today, freshwater pearl fishing is limited. Commercial shell collection is regulated and popular and political attention is focused on conservation of the natural habitat and water pollution; very little fresh production but a vigorous renewed interest in finding all the historical material. Today, all old natural pearls, saltwater and freshwater are collectible, historical gem material. And gem stones never die. They can be reused in contemporary designs again and again.

There are several types of natural saltwater pearls that do not show that pearly luster. These non-nacreous pearls include the conch, scallop, clam, and melo melo. The Queen Conch, *Strombus gigas* produces the conch pearl, a smooth porcelainous pearl ranging in color from all shades of pink to white, yellow, beige, salmon and sometimes spotted. Conch pearls do not have a long recorded history, first mentioned in 1839 in a catalogue of pearls and precious stones. Some of the treasures of Rene Lalique during the Art

Noveau period utilized fine conch pearls. For Tiffany and Company George Kunz designed important conch jewelry in the early 20<sup>th</sup> Century. Conch necklaces appear at auction today and this year in a catalogue from a prominent Dallas based jeweler, two conch necklaces were priced at \$150,000 and \$160,000.

In regards to saltwater natural pearls, fresh pearls are found every day; of course, no longer by fleets with forty thousand divers. There are still near pristine seas around the world, and these seas are filled with fish and men are finding pearls.

In several locations around the world there still are organized fishing efforts for Abalone as a food and shell resource. Natural pearls are found as a byproduct of these fishing efforts. Personally, besides the beautiful oriental pearls in necklaces of rounds or drop shapes, my favorite is the natural Abalone pearl, a nacreous pearl, in its myriad of shapes and colors with color combinations seen no where else in nature.

These intertidal marine gastropods found predominantly in mild temperate oceans, rarely produce gem pearls. In fact, actual statistics indicate that only one in two hundred thousand to one in a million animals yield a pearl of any consequence. The causes of pearl formation vary. Primarily the reasons include small parasites: boring mollusks, boring sponges or small crabs that cause the abalone to secrete nacre. Occasionally, the parasite decays, creating a hollow pearl, but most abalone pearls are solid. Sometimes there might be open edges, seams or spots where organic material might be showing. The pearls exhibit colors ranging from whitish creame, the rarest color, to subtle spectral tints of intense blues, greens, magentas, golds and deep violets, often in brilliant layered combinations. Although there is some correlation between shell and pearl color, water temperature and diet can also affect the color of the pearl. Abalone produce a whitish calcium carbonate well amalgamated by a waxy conchiolin which absorbs pressure and resists scratching. Recent research at the University of California, Santa Barbara, suggests a new kind of biological rubber that helps explain the exceptional strength of the plywood like structure of the abalone shell.

The abalone shell is roughly 3,000 times more fracture resistant than a single crystal of calcium carbonate, the mineral that makes up most of its bulk. The U.C. Santa Barbara experiments show that the mechanism behind the fracture resistance is the biologic polymer adhesive that holds the crystal together. In deed, in large natural abalone pearls, the thicker the layers of material, the better the durability.

Smoothness, luster, color and freedom from blemish determine quality. Unlike the Oriental, the Akoya pearl, and the South Sea and Tahitian cultured pearls, abalone pearls are not primarily judged by their roundness. Also, unlike other kinds of pearls, abalone pearls are not subjected to any type of processing, such as bleaching or buffing. The pearls essentially look the way they look coming directly from the shell. The best quality pearls have multiple color tints and a subtle, almost subsurface luster. Prices for abalone pearls can range from \$300. to \$5,000. per carat. Since the 1980's prices for natural abalone pearls have escalated as sources decline. On January 13, 2009, the U.S. Government declared the black abalone as an endangered species. Once occurring at densities of 120 animals per square meter, the black abalone has declined by as much as 99 percent in most of its range.

The natural abalone pearl, with its true scarcity, and wonderful beauty, will prove to be the ultimate prize for the knowledgeable and informed collector.

The most sought after pearl is the one full of the siren's sound, the one that calls us, that attracts our eye. These pearls can be found any where.

Natural pearls, as a store house of value, have not gone unrealized by the traders of the world. Their preciousness and value realized by more people every day and actually when all the considerations required for natural pearl formation are seriously analyzed, any natural gem quality pearl of substantial size is truly the rarest of gems.

This rarity, with the rising world awareness of the history and importance of natural pearls will be one of the factors influencing the future value of natural pearls. As curious as this may sound, I think natural pearls are once again rediscovered treasure.

Increasing spending power in India and China, both countries with mythological and historical involvement with the value of natural pearls, will greatly influence the future price of natural pearls. Needless to say the rich Gulf Nations will continue to buy back and collect their heritage. Sophisticated collectors from America and Western and Eastern Europe will play their part in adding demand.

Without exercising our imagination, the horizon is nothing but a straight line. The tides of business are turned by the moon, the sun, the stars of imagination and you. In concert with astute judgment and courage, it was imagination that sharpened the vision and contributed to the success of such eminences like the renowned 17<sup>th</sup> century gem dealer, Tavernier and more recently Cartier and Tiffany. These gem merchant jewelers were known for paving the way, clearing new paths, influencing taste, attracting the most discerning buyers and offering exquisite and rare jewels and objects of art. It is in this tradition that natural pearls remain a preeminent focus in the world of fine gems and historical treasure.

I would like to leave you with this price and rarity comparison from the world of gemstones. I found these figures about diamonds in a monthly mining journal. The total supply of diamonds worldwide for calendar 2008 is expected to be around 138 million carats and that has come off the 148 million carats evident in 2007. If we divide the 138 million carats by 5 to get grams, by 1000 to get kilograms, and by another 1000 to get metric tons we end up with 27.6 metric tons of diamonds on the market and this year after year. The diamond industry is expecting gradual increases in supply over the next four years.

Just a few months ago I was privileged to be part of a team that presented for sale – for the first time – a large parcel of freshly fished natural saltwater pearls. The few important people that saw this parcel agreed that this parcel was the largest group of fresh

natural pearls offered for sale in forty years and perhaps one hundred years one esteemed and elderly gentleman estimated, and this parcel weighed just less than 3000 cts. total. Three thousand cts. versus 27 tons, a handful versus a container load. Even realizing price declines in 2009 as production levels rise and market demand remains low, the value of diamonds sold at retail is expected to be 76 billion dollars. Now think of the Baroda pearls, one of the largest, finest and most historical necklaces... public sale price \$7 million. The three line Dodge pearl necklace auctioned by Bonham's and Butterfield's just recently brought \$600,000. Small and large natural pearl necklaces can be bought around the world for \$5,000 to \$100,000. It seems to me that the total sum of natural pearls reported in public sales is less than one half of one percent of the retail market of diamonds.

As I have illustrated, the world is attuned to pearls.

Even assuming more discoveries of natural pearls, the extremely limited supply and their universal, historic nature marks all natural pearls extremely important gems.