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Exploring the Knoedler Gallery's Premium Picture Market, 1872-1934

Robert Jensen, University of Kentucky

Abstract

This paper was first delivered at the conference *Art Dealers, America and the International Art Market, 1880-1930* sponsored by the Getty Research Institute, The Getty, Los Angeles, CA, January 2018. The essay is based on research conducted at the GRI Special Collections's archival holdings of materials belonging to the New York art gallery M. Knoedler & Co. The paper outlines a quantitative methodology for approaching the Getty's data set, which was created through the transcription of Knoedler's 11 painting stock books covering the gallery's operations from 1872 to its closing in 1970. The paper explores the advantages of concentrating on the gallery's premium picture market and discusses what can and cannot be learned from the information provided by the stock books. It explains why concentrating on the gallery's purchases rather than sales best reveals the evolving tastes of American art collectors from the Gilded Age to the Depression. Using only Knoedler's high-end market, the paper demonstrates which artists and kinds of art the gallery most strongly invested in and how these investments changed over time.

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Rationale

The M. Knoedler and Co. Archive housed in the Special Collections of the Getty Research Institute (GRI) in Los Angeles has provided scholars with a unique window into the evolution of taste for European painting among American art collectors from the Gilded Age to the Great Depression. The GRI took the remarkable step of transcribing the eleven stock books belonging to the Knoedler Gallery into a single data set as a means of making the stock books accessible online.¹ Getty scholars have subsequently used the data set to study such things as the geographic distribution of American art collectors. As robust as the existing work on this data has been, there are still many ways to use this data that have not yet been explored. This paper takes one such tack. It looks only at the most expensive pictures that the gallery sold from 1872 to 1934, acting on the theory that we can understand more about American art collecting—at least in relation to the Knoedler Gallery—better when looking closely at their premium market than we can by taking a wholly inclusive approach, using all the transactions the gallery ever made over the entire years of its existence.

Michael Knoedler, the firm's founder, began his career working at the Adolphe Goupil Gallery in Paris. When he established his New York City gallery in the early 1870s he largely featured paintings by contemporary artists that were annually showcased at the Paris Salon and at Goupil's. In essence, Knoedler established his New York business as the American outlet for Goupil's stable of artists, which then included such Salon luminaries as Ernest Meissonier, William Bouguereau, and Léon Gérôme. By trading in contemporary French Salon art, the

¹ The unedited version of this data set have been posted to GitHub at <https://github.com/thegetty/provenance-index-csv>.

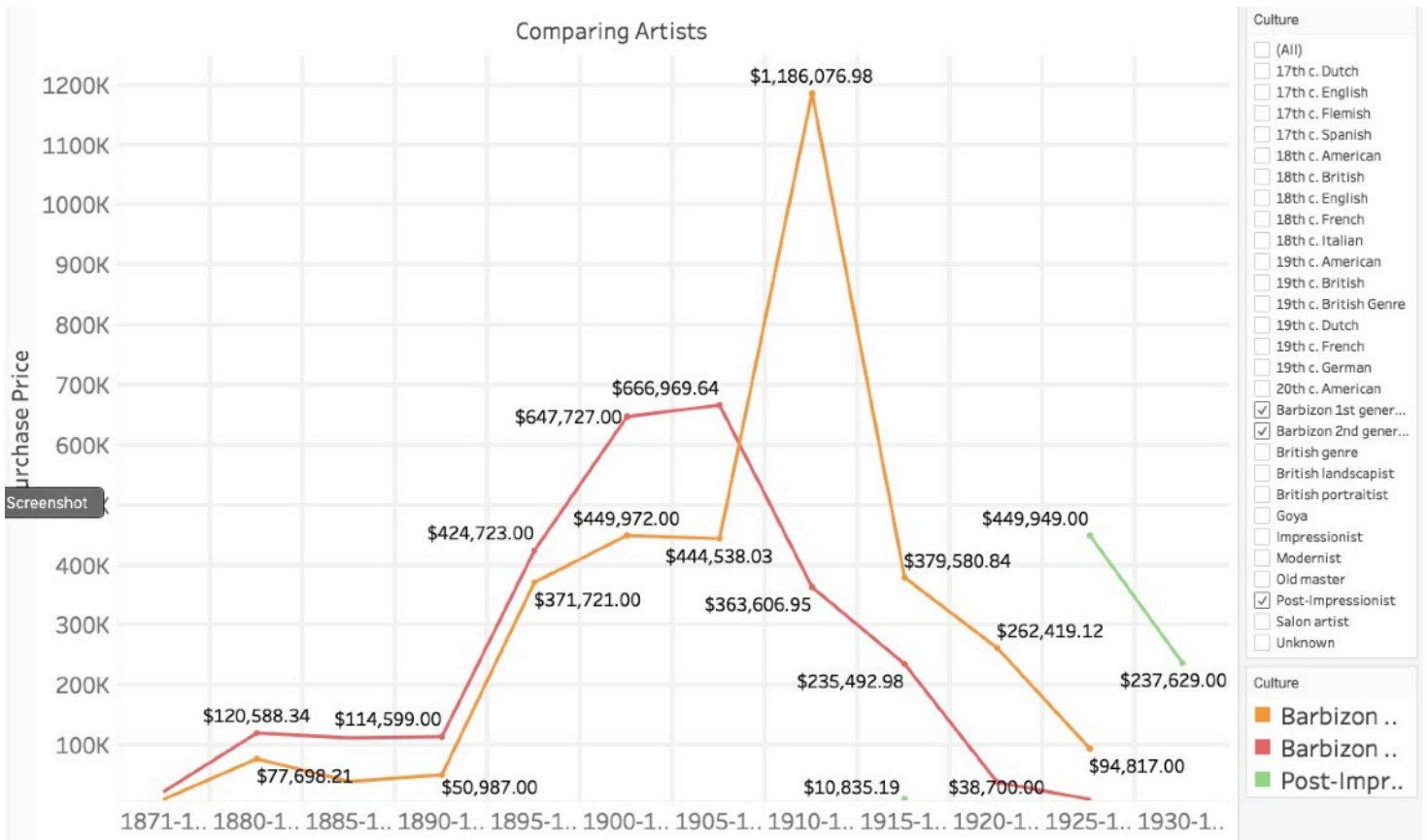
Knoedler Gallery was able to establish its American reputation as a major and reliable conduit for importing European art into the United States. As American tastes evolved, Knoedler disengaged from Salon art in favor of French pastoral landscapes and peasant imagery. Late in the century, the gallery began to invest significantly in Old Master paintings, representing multiple nationalities and historical periods. These investments probably mark the high point of the gallery's existence, spanning roughly from the mid-1890s through the First World War. It was certainly when the gallery made its greatest profits and was the most important commercial agent for European art in the United States. The gallery's direction began to change again in the 1920s, when Knoedler's turned to the market for French Post-Impressionist and Modernist painting. It is indicative of the popularity of such art with American collectors in the 1920s that Knoedler's would become engaged with French modernism, even though the gallery's involvement came long after other American commercial galleries had been active in this area.

The Knoedler Gallery's transitions from Salon artists to French pastoral painters to Old Masters to modernist French painters closely paralleled the creation of the great post-Civil War American art collections. Over time, American collectors would donate their paintings, many of which were acquired through Knoedler's, to create the initial core of some of America's foremost art museums. Knoedler's commitment to modern French art in the 1920s also paralleled the development of some important "house" museums in the U.S., such as the original Barnes Foundation in Merion, Pennsylvania and the Phillips Gallery in Washington D.C., collections that often combined modern French painting with the Old Masters.

Through a quantitative examination of Knoedler's premium market, this paper demonstrates how the prices that Knoedler's paid for their pictures, as well as the volume of

acquisitions they made in certain artists, reflect such things as the dramatic shift in appreciation by American collectors for 19th-century Barbizon painters, for artists like Camille Corot, in favor of modern French art. For example, chart #1 traces the plummeting prices for Corot's pictures that began during the First World War and continued throughout the 1920s. The chart also shows Knoedler's sudden burst of investment in the art of the French Post-Impressionists. Knoedler's acquisitions of Post-Impressionist painting obviously did not gradually evolve over time. Since the gallery had resisted getting involved in this market long after other American commercial galleries had begun selling modernist French painting, the prices for Post-Impressionist pictures

Chart 1. Knoedler Gallery purchase prices of 1st and 2nd generation Barbizon landscape painters compared to the Gallery's purchases of Post-Impressionist artists



were already quite high, driven by several decades of competition among American and European art collectors for this art.²

Looking at Knoedler's premium market quantitatively provides an important supplement to the qualitative research that has been done on Gilded Age art collecting, such as Cynthia Saltzman's *Old Masters, New World*, which treats among other things the close relationship between collectors like Henry Clay Frick and the Knoedler gallery.³ The quantitative study of the Knoedler premium picture market provides a broader view of the steady transformation of the gallery's market behavior, mirroring changes in American tastes as its collectors became more sophisticated consumers of European art. One can see in large terms the significant financial investments of many of the Gilded Age "robber barons" in art.

Methodology

To understand the Knoedler's premium market using the Getty data first required the creation of a cleaned version, adjusted for errors in transcription, for the sale and resale of the same painting, and for the same painting being registered in multiple stock books. Once duplications were eliminated there remained approximately 38,000 distinctive paintings represented in the Knoedler set. The gallery's activities were then limited only to the years between the 1870s and 1934, based on the view that the Depression coincided with the end of the gallery's glory years. Although Knoedler's persevered until 1970 and still made

² The chart also shows how all investments that Knoedler made in art acquisitions suffered during the Great Depression. But we know that the Post-Impressionist market recovered later to reach spectacular heights, whereas the taste for Barbizon painting never again achieved the status and the comparable price tag this art experienced at the end of the 19th century.

³ Cynthia Saltzman, *Old Masters, New World: America's Raid on Europe's Great Pictures*, (NY: Viking, 2008).

significant premium art transactions, the postwar market was demonstrably different than what preceded the Depression.

The second major bracketing of the Getty data set was to confine the data to only premium pictures. A rationale for focusing on premium pictures is that this market most strongly expressed the conspicuous consumption of art that characterized this era. Buying expensive works of art was used to signal social status, primarily among collectors but also for a growing middle-class art public. Huge sales of paintings by Rembrandt and Vermeer made headlines then much as they do today. Collectors wished to demonstrate their connoisseurship, sophistication, taste, and financial capacity. Conversely, dealers like Knoedler's also benefited from selling premium pictures. Costly sales maintained the gallery's prestige among its rival galleries. As with the collectors, premium sales signaled the sophistication, knowledge and aesthetic judgement that promoted consumer trust in all the art the gallery handled. And, of course, the profits that could be had from just one major sale might equal hundreds of low dollar sales.

The premium market also helped the Knoedler gallery to "signpost" their transactions. In other words, Knoedler's could emphasize specific values about art works being offered for sale, while downplaying other significant information that might detract from the valuation of the art. Let's take the example of Camille Corot, the gallery's most popular artist. The firm purchased during the period surveyed 152 Corot paintings at premium prices and 351 pictures overall—many of these other pictures costing just under the premium threshold. That's a lot of Corots, most of which were landscapes, and with comparatively little differences among them in their treatment of subjects or in their quality of execution. The firm must have represented to

Knoedler's clients every one of these Corot paintings as exceptionally fine examples of the artist's work; their significance stretched so much that the buyer was willing to pay more for his or her Corot than even for a prized old Master artist such as Meindert Hobbema or small scale Rembrandts, despite how common the Corot paintings were in the gallery's inventory. Overall, and without adjusting for inflation, the gallery committed more than \$2,300,000 for the premium Corot paintings alone. They made more than a million dollars in return on their eventual sale. Adjusting for inflation, this sum would be approximately equivalent to well over thirty million dollars today.⁴

There are obvious financial incentives for stretching. How far one can exaggerate such value is constrained by the need to maintain trust between all parties in the transaction. This certainly was at play with the Corot market. Stretching might also characterize large sections of Knoedler's Old Master picture market. Many of the American collectors were self-made individuals who lacked substantial formal education, especially art education. With such an audience, the artist's name might matter more than the inherent qualities of the work collected. At least within the Knoedler premium market, a conservative approach to collecting dominated, but once the collector decided on a purchase, it might be for an extravagant sum, often paying much more for the painting than the gallery had. Consider that only 229 artists out of the

⁴ Of course in today's superheated art market, some of Corot's paintings are once again selling for high prices. In 2018 the artist's "Venise, vue du Quai des Esclavons," from 1845, sold at a Christie's auction for the artist's record price of \$9,009,844, which would have the approximate value of \$300,000 in 1900. However, Corot's pictures are just as likely to be valued significantly less today than they were in 1900. For example, \$150,000 was the highest price Knoedler was ever able to sell a Corot. In 1917 they sold "Nymphs and Fauns" (1870) to a William Butterworth from Moline, Illinois. The painting is now in a private collection. When last auctioned in 2011, the painting sold for \$422,500 or what would have been approximately equivalent to \$24,000 in 1917. See the Christie's auction results for 12 October 2011, Sale 2521 "19th Century European Art."

entire history of Western painting are represented in the premium Knoedler market from 1871 to 1934. Eliminate artists by whom Knoedler sold three or less pictures and the total number of the gallery's premium picture artists falls to just 93. These 93 artists represent the Knoedler canon of painters, whose works the gallery was confident of being able to sell. Of course, any gallery's purchases would be limited by access and opportunities. Knoedler's agents went after artists and artworks that came on the European market. Nonetheless, the data reveals that they concentrated their activities where they were confident in sales, regardless of the specific painting they were trying to sell. During the period surveyed the gallery sold ten or more premium works by fifty-two artists, and twenty or more premium pictures by just thirty-two artists (see Table #1).

Table 1. Most frequently acquired artists by Knoedler Gallery to American collectors

Artist	# of works	Artist	# of works
Alma-Tadema, Lawrence	21	Lawrence, Thomas	22
Bonheur, Rosa	20	Lhermitte, Léon	21
Bouguereau, William	32	Marcke de Lummen, Emile van	28
Breton, Jules	20	Maris, Jacob	33
Corot, Camille	152	Mauve, Anton	44
Daubigny, Charles	73	Millet, Jean-François	36
Diaz de la Peña, Narcisse	50	Raeburn, Henry	72
Dupré, Jules	28	Rembrandt van Rijn	48
van Dyck, Anthony	26	Renoir, Auguste	31
Gainsborough, Thomas	78	Reynolds, Joshua	46
Goya, Francisco de	31	Romney, George	71
Hals, Frans	24	Rousseau, Théodore	33
Harpignies, Henri	24	Schreyer, Christian	27
Hoppner, John	47	Stuart, Gilbert	23
Israëls, Josef	35	Troyon, Constant	32
Jacque, Charles	35	Turner, J.M.W.	23
Total 1,624 in data set		Total	1,286

involvement in the print trade, which is also absent from the stock books. Finally, the stock books rarely indicate works contained therein as if they were. One can find in the Knoedler business correspondence references to transactions that never appear in the stock books.

Operational expenses are also usually missing. In the early years, works on commission are sometimes included in the stock the firm sold abroad. Whatever we can glean from the stock book data is therefore just a part of the story of the Knoedler enterprise.

In most cases, the stock books provide information about the artist, title, the presumed “purchase” price for the art work, who was its last owner, and who was its buyer, how much was paid for the work, and when these transactions occurred. Often in the stock books the buyer is listed. But it is not unusual for the gallery to indicate a sale without writing down the purchaser. Sometimes an entry will record the purchase price but no sales price or more rarely a sales price without a purchase price. It is possible that in the former case the sales price is identical to the listed purchase price. The profit, if any, from the sale might have been registered elsewhere in the gallery’s business papers. In the latter case, when a sale price is listed without a purchase price, the gallery may not have considered it necessary to indicate both. The firm may have acquired the painting question for a specific buyer at an already agreed price, so that purchase and sales prices were effectively the same. One sees this, for example, in a number of expensive purchases Henry Clay Frick made through Knoedler’s. Consequently, in most instances in the gallery’s high-end market, when the stock book entry lacks a “sales” price or lacks a “purchase” price, the listed price in one column is likely to be identical with the missing price in the other column.

For this project the purchase price was the most valuable entry in the stock books. First, and most importantly, the “purchase” price as listed in the Knoedler stock books should be considered an index of the gallery’s appraised value for a work of art rather than its actual cost. In a great many cases the purchase price represents a professional appraisal of value, and not simply what a client might be willing to be for a given picture. While very often the purchase price listed in the stock books represents what the gallery actually paid for the work (this is especially true of paintings obtained at auction), there are reasons we should not accept the listed purchase price at face value.

Michael Knoedler imported not only the Goupil Gallery’s Salon artists but also Goupil’s business practices. Knoedler’s stock books and Goupil’s are surprisingly similar in format. He certainly imported other practices. For example, we know that Goupil typically negotiated purchase and sales prices with his stable of artists. One example is a contract that Goupil signed with the Italian painter Giuseppe de Nittis.⁵ In exchange for the artist’s commitment to provide the gallery with a certain number of paintings annually, the art would be given an annual stipend. That stipend would be repaid through the sales of his pictures. When de Nittis submitted a picture to Goupil they would negotiate the painting’s “purchase” price, which represented in essence how much the artist in conjunction with the dealer thought they could get for the work. Once the picture sold the dealer would take half the proceeds and de Nittis would have the other half subtracted from his stipend debt. Any amount paid over the purchase price would also be

⁵ See, for example, the contract Goupil negotiated with the Italian painter Giuseppe de Nittis. The letter of agreement has been reprinted in full in Paolo Serafini, *La Maison Goupil et L'Italie* (Musée des Beaux-Arts, Bordeaux, 2013), pp. 19-20.

split evenly between the gallery and the artist. In this way, the purchase price was actually the base estimate of what the gallery and the artist thought they could get for a painting.

This pattern of negotiating the purchase price based on an appraised expectation of its potential sale likely carried over into the acquisition of paintings in the resale market. The stock books of both firms are extraordinarily neat, as if the entries were transferred from other sources—sources where the intricacies of accounting would have been recorded. This suggests that it was quite possible that both Goupil's and Knoedler's stock books might routinely record the original "purchase" price only after a successful sale. Significantly, until the Depression years the Knoedler stock books very rarely record a financial loss on any premium transaction. In fact, if works that the gallery acquired from Europe failed to sell, the common practice was to ship the paintings back to the Continent to either one of its branch galleries or to another gallery with whom Knoedler's had partnered with in making the original acquisitions. At this point the profit (or loss) from the sale of the painting disappears from the stock books. Moreover, only a small number of premium pictures sat in the New York inventory unsold for more than two or three years.

It was only when the stock books recorded the financial consequences of the stock market crash of 1929 that they became replete with revisions, especially crossed-out purchase prices. What might have been originally listed as a \$10,000 picture would be downgraded (crossed-out) to perhaps \$8,000 and then maybe crossed out again and replaced with a \$5,000 purchase price before the painting finally found a buyer (see fig. #1). Did the work actually cost the gallery nearly \$10,000 in the first place or was such a figure merely the estimate of what the gallery thought was the floor price for which it could sell the work?

The stock books have other accounting peculiarities. They rarely record within a purchase or sales price the cost of tariffs, shipping, framing, and any restoration work that may have needed to be done. This means that incidental costs involved in transatlantic shipping were incorporated within the listed purchase or sales price. Occasionally, and usually in the case of complex transactions and multiple shareholders, incidental costs were listed as annotations. The stock books usually express both purchases and sales in round numbers, whether it is 100 dollars or 10,000 francs or 5,000 pounds. About 62% of the recorded premium purchase prices in the stock books are expressed in such numbers. Only a little more than 5% of the entries include numbers after the decimal. Typically these entries reflect works of art acquired in partnership with other galleries, where the division of the sale's round number figure resulted in fractions. As noted, works bought at auction typically have an irregular purchase price. But in cases where a painting was bought at auction in Europe or Great Britain, by the time it reached the United States the purchase price often acquired a round number, incorporating incidental expenses.

All this suggests that the various men working on behalf of Knoedler, including their British and European collaborators—a group that included other dealers—, demonstrated acute understandings of the potential market value in America of the paintings they sold. Even if they may have retrospectively lowered purchase prices to show a profit, there does not seem to be any clear evidence that this was a general practice until the Depression. One finds in the voluminous correspondence housed in the Knoedler archive numerous examples of purchase prices being set out in letters that are also reflected in the stock books.

Compared to purchase prices, sales prices represent too many variables. Clients might significantly overpay for a picture. Signalling seems to have been a regular pattern among the

leading American art collectors of the time such as Frick, Widener, and later Andrew Mellon. The sums such collectors paid for a painting often made it into the newspapers, the publicity thereby adding to the celebrity value of both the painting and of the collector. Similarly, the profits Knoedler's made on premium sales were never very standardized. They ranged from as little as 2-3% profit to 50-60% profit over the listed purchase price, sometimes even more.

Sales prices can tell us a lot about individual buyers. But purchase prices expressed far more closely the professional evaluation of what the art trade considered a painting's perceived worth, which is a more reliable index of the overall market value of a painting as it was understood at the time of acquisition than the price a client might be prepared to pay. In short, we can think of the listed purchase price generally representing what the gallery decided was the reasonable price for a work based on a combination of acquisition cost, incidental costs, what they may have believed was the intrinsic value of a particular type of painting, and what they must have believed was the least price for which they could sell the painting profitably.

Having settled on the purchase price as the value index, it was necessary to settle on a metric that would separate an expensive picture in Knoedler's trade from the rest. The problem is magnified by the fact that after more than a century of inflation it can be difficult to recognize an expensive price. To the casual observer, the stock book prices by today's dollars appear quite low. In response, I developed a table that gave me a relative price index adjusted for inflation (table #2).⁶ I made the arbitrary decision that a painting that would cost more than \$100,000 today adjusted for inflation, would separate the merely expensive paintings

⁶ Please bear in mind that prices adjusted for inflation only represent relative and not absolute values, since inflation is never equally distributed over all commodities over time. But the value of these adjustments is that they provide us with a better understanding of the nature and extent of Knoedler's market activities.

from what we might call today blue chip works of art, possessing universally-acknowledged importance, quality and financial worth. However, as I became familiar with the distribution of purchase prices I changed my index to \$120,000 in 2013 dollars. Adjusted for inflation, this price equaled about \$4,400 in the 1870s. What I like about the base value of \$4,400 for a

Table 2. Approximate historical equivalent of \$120,000 in current (2013) U.S. dollars

Year	dollars	francs	pounds
1879-1884	4,400	23,320	900
1885-1889	4,400	23,320	900
1890-1894	4,400	23,320	900
1895-1899	4,400	23,320	900
1900-1904	4,500	23,850	925
1905-1909	4,900	25,970	1,000
1910-1914	4,900	25,970	1,000
1915-1919	6,000	33,000	1,275
1920	10,000	143,000	2,700
1921	9,000	119,700	2,300
1922	8,450	103,090	1,920
1923	8,570	143,119	1,863
1924	8,570	164,544	1,948
1925	8,825	187,972	1,840
1926	8,825	238,275	1,850
1927	8,890	302,220	1,825
1928	8,760	224,256	1,785
1929	8,570	219,392	1,785
1930	8,570	219,392	1,750
1935	7,350	113,190	1,500

Sources: www.Measuringworth.com; www.in2013dollars.com (based on U.S. Bureau of Labor Statistics' Consumer Price Index, est. 1913); www.uwyo.edu/numimage/currency (Dr. Eric Nye, Department of English, University of Wyoming); www.newworldeconomics.com; and www.Historicalstatistics.org.

premium painting is that Knoedler's recorded purchase prices generally fell either significantly below that figure or significantly above, but rarely near this price point. And this remained true over time. As it happened, if a collector was willing to spend as much as the equivalent of \$120,000 (in 2013 dollars) for a particular painting, he or she was often willing to spend

significantly more. While a painting that sold for perhaps \$4,000 was still quite expensive, it nonetheless fell out of my premium category.

Having arrived at \$4,400 as the base price for my premium picture market adjusted for inflation over time, I then converted the multiple currencies represented in the stock books into the single U.S. currency. Fortunately exchange rates, like inflation, were very stable until the First World War (table #3). It is only in the 1920s and early 1930s that one has to adjust these indices year by year (by using year-end averages). After removing all the works acquired by the gallery for less than the equivalent of \$120,000 in 2013 dollars, I arrived at a data set of

Table 3. Currency conversion rates over time (per year averages)

Year	Dollar	Franc	Pound	Year	Dollar	Franc	Pound
1880	1	÷5.3	x4.9	1924	1	÷19	x4.4
1885	1	÷5.3	x4.9	1925	1	÷21	x4.8
1890	1	÷5.3	x4.9	1926	1	÷30.7	x4.9
1895	1	÷5.3	x4.9	1927	1	÷25.4	x4.9
1900	1	÷5.3	x4.9	1928	1	÷25	x4.9
1905	1	÷5.3	x4.9	1929	1	÷26	x4.9
1910	1	÷5.3	x4.9	1930	1	÷25	x4.9
1915	1	÷5.5	x4.8	1931	1	÷25	x4.5
1916	1	÷5.9	x4.7	1932	1	÷25	x3.5
1917	1	÷5.8	x4.7	1933	1	÷20	x4.1
1918	1	÷5.6	x4.7	1934	1	÷15	x5
1919	1	÷7	x4.4	1935	1	÷20	x4.9
1920	1	÷14.2	x3.6	1936	1	÷17	x5
1921	1	÷13.4	x3.8	1937	1	÷25	x4.9
1922	1	÷12.2	x4.4	1938	1	÷33	x4.9
1923	1	÷16.4	x4.6	1939	1	÷33	x4.4

1,623 entries for which I was fairly certain of the purchase price.⁷ (Errors in transcription offered an occasional challenge when the transcriber confused one currency for another.)

⁷ My edited version of the Knoedler data set is been posted to the Harvard Dataverse under the file name “Knoedler gallery high end market 1871-1934.”

Having defined the premium picture market in Knoedler's stock books I then further simplified the data in order to track changes in the pattern of the gallery's purchases over time. Purchase dates were grouped into five year intervals and cultural descriptors for the type of art purchased were simplified. For legibility sake, I kept the number of such cultural categories to

Table 4. Premium pictures by culture and total purchases

Culture	Total # of purchases	Total purchase costs	Culture	Total # of purchases	Total purchase costs
British portraitists	350	\$8,894,747	17th c. Flemish	34	\$1,652,756
Barbizon 2nd generation	308	\$2,760,060	19th c. French	33	\$398,332
Barbizon 1st generation	221	\$3,363,810	Goya	31	\$667,026
Salon artists	205	\$1,584,737	Post-Impressionists	31	\$698,413
17th c. Dutch	184	\$7,683,256	18th c. Italian	25	\$347,972
Old Masters	137	\$4,872,995	18th c. American	24	\$306,600
19th c. Dutch	134	\$1,387,031	19th c. British	16	\$197,279
Impressionists	62	\$1,247,176	18th c. British	9	\$199,697
British landscapists	60	\$2,156,616	17th c. Spanish	8	\$556,789
19th c. American	54	\$685,904	Modernist	3	\$32,582
18th c. French	48	\$859,022	17th c. English	2	\$9,776
19th c. German	41	\$287,671	20th c. American	1	\$9,000

under twenty (table #4). For example, I created descriptors within 19th century French painting such as 1st and 2nd generation Barbizon—I could also have also called this category 19th-century French pastoral painters. I divided the category between mid-century artists like

Jean-Francois Millet or Théodore Rousseau and later painters who followed in their tradition, like Léon Lhermitte, Jules Dupré and Charles Daubigny, so that I would be able to track the gradual shift in taste away from artists of Lhermitte's stamp among American collectors to that of first-generation Barbizon painters like Rousseau.⁸ In other cases, the cultural descriptors bridged centuries, as in the categories of British landscapes and portraits—which were both extremely popular with American collectors and were purchased without respect to century of origin. When categorization proved too elusive or too unique to the object, I gave the painting a generic categorization by century and country of origin, as in 19th-century British art, which consisted primarily of genre paintings. French 19th century art was dominated by Romantic artists such as Eugène Delacroix. The Old Masters category refers to any artist working before the 17th century.

As justification for these categories, they clearly express the narrow scope of tastes found among Knoedler's clients in the high end market. Remember that Knoedler's premium market was dominated by a relatively small number of artists (see Table #1). In the high-end of Knoedler's business, these artists represented 79% of all the gallery's premium purchases between 1871 and 1934.

Results

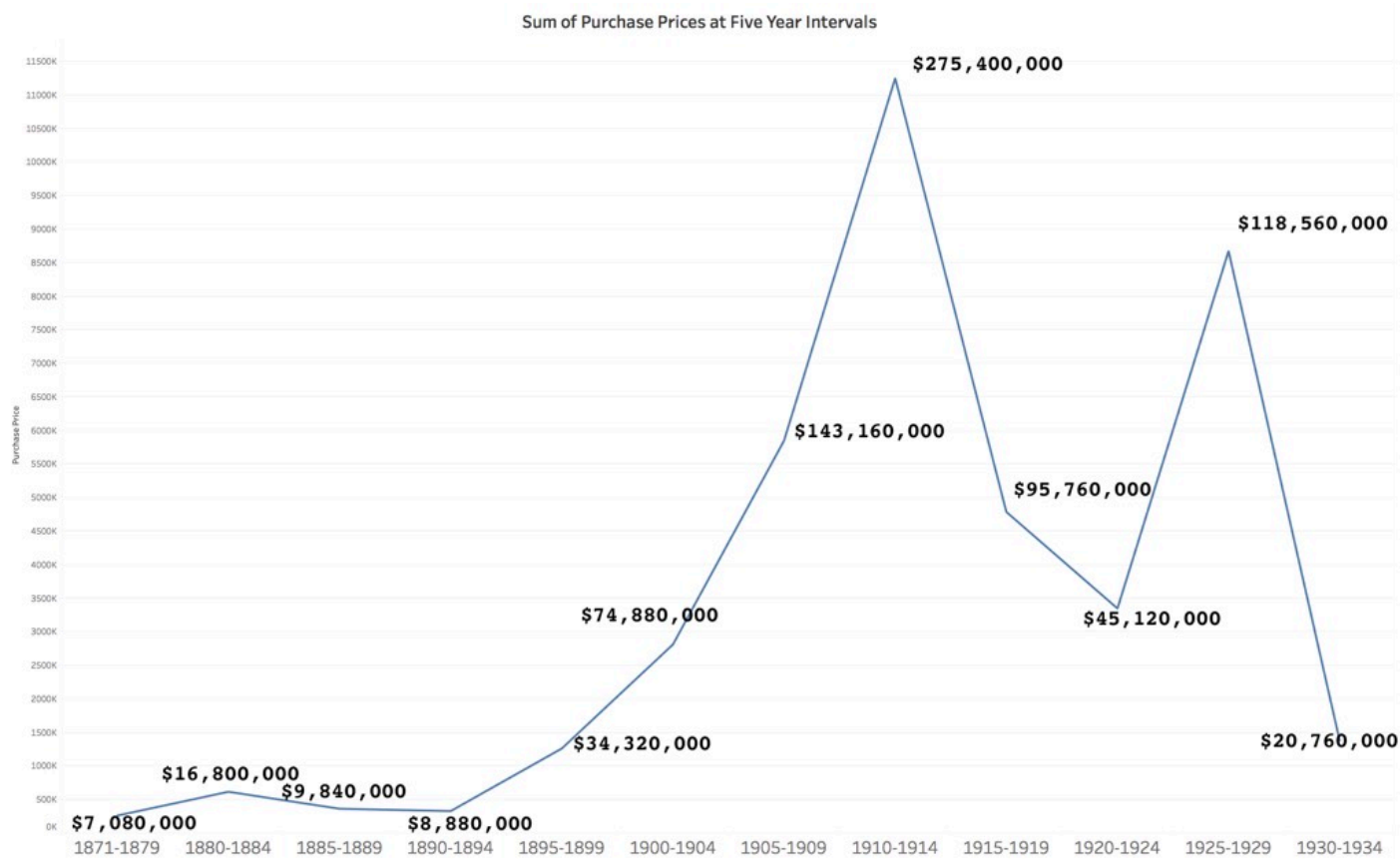
From the start, Knoedler's standing in the American art trade, especially vis-a-vis European imports, was fundamentally based on trust. At the upper end of Knoedler's market, the

⁸ It is a not surprising feature of American collecting of 19th-century French painting that the celebrated Salon painters working in the pastoral tradition were discovered first by American collectors and only later did they begin to acquire works by artists such as Millet and Rousseau.

gallery catered to a clientele who typically were conservative in their tastes in art. Most were probably not very expert in their knowledge of art. They were typically members of the nouveau riche, self-made men who often rose from poverty to found banks and railroads and steel companies. With relatively little formal education, it is quite likely that most were profoundly wary of being taken advantage of by foreign art dealers. If they were to spend a lot of money on a painting, they depended on the Knoedler brand to deliver consistently high quality, “safe” art, specifically tailored to the clients’ limited range of taste. This essential conservatism in the high-end market is manifested in the dominant types of painting the gallery acquired over a period of more than fifty years. It is also reflected in Knoedler’s overall market success.

The gallery was conservative equally in the kind of works it acquired and the risks it took in acquiring them. As I have already noted, they got into the market for modernist painting quite late compared to other American galleries. Similarly, until the stock market crash in 1929, the losses from unsold paintings or paintings that sold well below the listed purchase price in their high-end business totaled less than \$240,000 or about \$3 ¼ million in contemporary dollars. That might seem like a lot of money until one compares it with the firm's profits. When Knoedler’s investments in premium pictures are converted into their roughly equivalent 2013 dollars (chart #2) one has a much better sense of the depth of the gallery’s involvement in this market. The peak of \$11 million plus in purchases before the World War becomes almost \$280 million in today’s dollars. And even though their high-end market would never again be as great as it was before the War, in the 1920s the gallery still spent more than \$150 million on paintings alone.

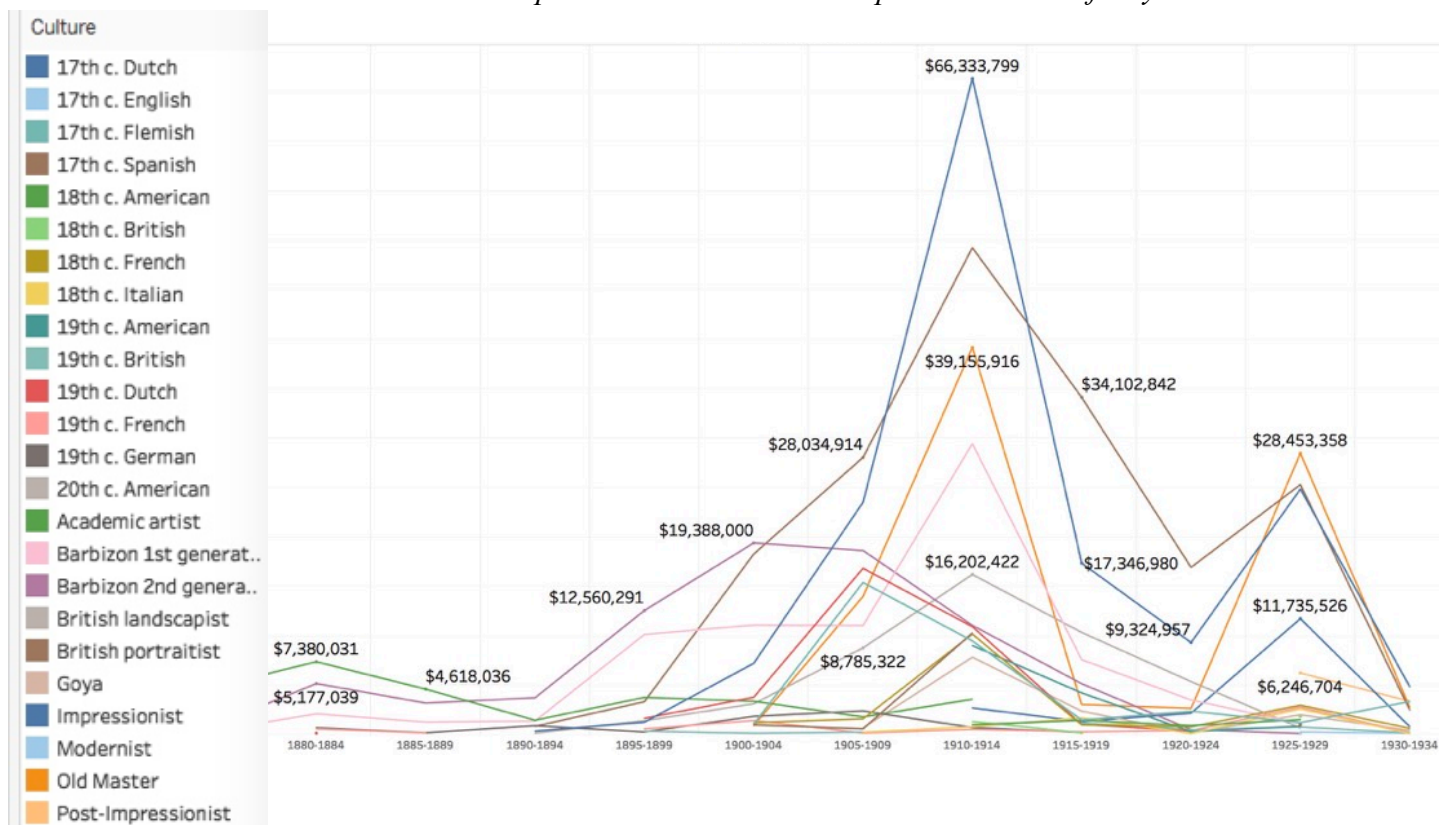
Chart 2. Sum of Purchase Prices in 2013 dollars over five year intervals



Knoedler's investment in premium pictures was not constant. Qualitative studies have already described how the gallery in the late 1890s became increasingly committed to selling expensive old Master paintings. Chart #2 graphically depicts the growing commitment to the upper end of the painting market. It also shows the impact of the First World War, the post-war revival and then the effects of the stock market crash and Great Depression. The gallery's peak years of investing in high end painting immediately preceded the First World War. Not surprisingly, in order to make such purchases the gallery increasingly relied on commercial partners with whom they shared the costs. And although the volume and total investment declined after 1914, the percentage of shared purchases remain high through the 1930s.

If we then reorganize these purchases (in 2013 dollars) by culture, tracked over five year intervals (chart #3) we can see that in the early years the Knoedler high-end market was dominated by pictures acquired in France. Purchase transactions in those years, correspondingly

Chart 3. Total purchases in 2013 dollars per culture over five year intervals



are predominately listed either in francs or in dollars (only six purchases were made in pounds prior to 1890). In the 1890s the London market began to make a significant impact on Knoedler transactions, representing about 35% of foreign currency transactions. In the first decade of the 20th century the presence of the London market in Knoedler acquisitions is even more dramatic, representing over 69% of foreign currency transactions.⁹ Compared to the Paris purchases, the Knoedler purchases in London were much more likely to be shared purchases with one or more

⁹ A great many purchases that were recorded in dollars were also made in Europe, but the gallery must have negotiated the dollar price as part of the transaction. Therefore the currency percentages must be considered relative and not absolute. Nonetheless, they clearly support the growing dominance of the English market, corresponding in the vastly increased investment in British and Old Master paintings.

London-based commercial galleries. What is a little surprising is that the London market continues to dominate premium purchases following the end of the First World War even though, of the three currencies, the French franc suffered the most in the post-war international money exchanges. Paintings could have been acquired far more cheaply in Paris than in London and yet Paris provided fewer and fewer paintings directly to the New York gallery. This means that the connections the gallery had with the Parisian market were no longer providing paintings for which there was constant demand. The decline of the Parisian market for Knoedler's business began with the rise their involvement in the Old Master painting market, which largely flowed through London, and then their subsequent interest in Impressionism and then later Post-Impressionism, where they relied on their English connections. Parisian galleries like Durand-Ruel's tended to monopolize the market in Paris for French modernism. To get their pictures, Knoedler's was essentially forced to go through London.

Another factor in the dominance of the London market over Paris in Knoedler's business operations was the growing interest in British portrait painting among American collectors, which became both by volume and by total investment the most popular high-end category in the Knoedler market. Portraits were also favored in other cultural categories, especially 17th-century Dutch, Flemish and Spanish painting, Goya, and a considerable portion of Old Master painting. Given the size of the British portrait market, it is also noteworthy that, along with a few Gainsboroughs, the market was dominated by four artists, Hoppner, Raeburn, Reynolds, and Romney (see chart #4). While individually Reynolds' portraits were often the most costly, the total purchases in Romney portraits was consistently the highest, but nothing compares to the huge enthusiasm for Raeburn's portraits during the second half of the 1920s.

Chart 4. Purchase prices of British portraitists compared



After portraits, French pastoral painting represented a collective investment of more than \$159 million in 2013 dollars, more even than the gallery invested in 17th-century Dutch painting, which included important high dollar purchases of Rembrandts and Vermeers. This difference expresses both the fact that Knoedler's really only began to pursue 17th-century Dutch art after 1900, but also that the gallery continued to find clients for its French pastoral paintings well into the 1920s. In fact, as chart #5 demonstrates, if one combines the purchases for 1st and 2nd generation Barbizon/pastoral painting, Knoedler's total investment outpaced what the gallery spent on 17th-century Dutch art, coming only after British portrait painting in the scale of their involvement in this market.

Dutch pictures, with works by Rembrandt and Vermeer figuring most prominently among these sales.

Table 5. Profit margins for 17th-Century Dutch Painting 1900-1934

Years	Purchase totals	Sales totals	Margin totals	Average margins	Margins in 2013 dollars
1900-1904	\$270,698	\$429,300	\$158,602	64.97%	\$4,229,387
1905-1909	\$959,754	\$1,775,764	\$816,010	106.80%	\$19,983,918
1910-1914	\$2,582,230	\$3,632,753	\$1,055,421	28.61%	\$25,847,044
1915-1919	\$867,349	\$1,348,776	\$481,427	25.82%	\$9,628,540
1920-1924	\$656,223	\$1,211,059	\$554,835	37.54%	\$6,658,020
1925-1929	\$1,816,727	\$2,997,991	\$1,181,264	23.64%	\$16,108,144
1930-1934	\$341,708	\$525,000	\$183,292	34.52%	\$2,566,526
Totals	\$7,494,689	\$11,920,643	\$4,430,851	41.52%	\$85,021,570

Table 6. Profit margins for 19th-century French Barbizon/Pastoral Paintings 1871-1934

Years	Purchase totals	Sales totals	Margin totals	Average margins	Margins in 2013 dollars
1871-1879	\$15,477	\$23,000	\$7,523	40%	\$205,173
1880-1884	\$272,340	\$371,559	\$99,319	37%	\$2,708,700
1885-1889	\$167,187	\$259,900	\$92,713	53.4%	\$2,528,536
1890-1894	\$183,311	\$234,600	\$51,289	33.2%	\$1,398,791
1895-1899	\$826,895	\$1,147,444	\$320,549	41.1%	\$8,742,245
1900-1904	\$1,143,140	\$1,848,543	\$705,403	58.8%	\$18,810,746
1905-1909	\$1,211,628	\$1,775,516	\$563,888	54.6%	\$13,809,501
1910-1914	\$1,646,421	\$2,380,840	\$732,427	32.4%	\$17,936,986
1915-1919	\$637,574	\$1,023,451	\$416,377	23.2%	\$8,327,540
1920-1924	\$301,119	\$454,215	\$153,096	26.2%	\$2,143,701
1925-1929	\$93,053	\$139,126	\$46,073	32.2%	\$628,268
1930-1934	0	0	0	0	0
Totals	\$6,498,145	\$9,658,194	\$3,188,657	39%	\$77,240,187

As I have already noted, it is remarkable how much and how long the gallery invested in 19th-century French pastoral paintings. Table #6 demonstrates that Knoedler's averaged nearly the same profit margin with such pictures as they did with 17th-century Dutch painting. In fact, during the first decade of the 20th century it was the category that represented the gallery's greatest profit. Even during the five years before the First World War, when the gallery was committing so extensively to Old Master and 17th-century paintings, French pastoral paintings still managed to make almost \$18 million in 2013 dollars for the firm.

In summary, one has to admire the gallery's ability to avoid significant risk while reaping enormous profits. At this level of investment the gallery was never a taste leader, whatever they may have done in their less expensive commercial activities. It is similarly impressive that French pastoral paintings played such a major role in Knoedler's premium market for such a long period of time. I also found it intriguing that the investment in such painting only declined in the later 1920s and early 1930s when collectors moved on to purchasing Post-Impressionist works. Finally, one could argue that this data provides the basis for a powerful counter-narrative to the stories we usually tell about American art and culture from the turn of the century through the 1930s—as well as how we see Knoedler's role in disseminating European art to American audiences.