

H.297

VT House Fish and Game Committee and Agency of Natural Resources

My name is Duane Merrill representing Duane Merrill & Co. Auctioneers and Appraisers from Williston, VT specializing in the sale of art, antiques, estates, and special collections. We have represented many important estates, institutions and private collections. My family has been in the business since 1931. I am the past President of the Vermont Auctioneers Assoc., member of the National Auctioneers Association, a member of VADA, a past Advisor for the Office of Professional Regulation.

Let me first say that the poaching of the wild magnificent Asian and African elephants and rhinoceros is absolutely barbaric and disgraceful. Those responsible must be held accountable and punished. Our own government needs to apply more pressure with a carrot and stick approach. The real issue is the protection of the live remaining animals. As any Vermont warden would tell you, it comes down to real boots on the ground twenty-four seven. An international Warden Peace Corps may be the answer as this is an international problem.

H.297 is one of those headline grabbing pieces of legislation that makes us all feel good (and politicians love to attach their name to), but it misses the mark. This bill as written regulates dead animals and animal parts. And other dead animals that have nothing to do with the last remaining live Asian and African elephants and rhinoceros. One wonders if there is a hidden agenda at play!! If sincere, the goal should be the absolute 24/7 protection of the remaining live animals.

This bill may actually cause more animals to die. Anyone really familiar with this problem must understand what drives the markets – “follow the money.” Over the centuries the Chinese, Japanese, Persian and Indian cultures dominated these markets. These products are ingrained into their cultures and religions.

The Chinese Communist Revolution of the mid-20<sup>th</sup> century destroyed vast amounts of their heritage. The new Chinese multimillionaires are the strongest buyers in the world market, setting world record prices for Oriental objects. Pieces that sold for a few hundred dollars a few years ago bring tens of thousands of dollars today. A recent vase that was found in Boston and was damaged, sold for 19 million last year. The Chinese are driven to restore their heritage and have the money to do it.

As the U.S. markets dry up under all this legislation, they will turn to the remaining existing markets, thereby placing the remaining animals in greater danger and demand. Do not doubt me, I have sold more art and antiques than any living person in the North Country over the past 47 years.

H.297 will be devastating for many businesses in Vermont. It will be equal to a huge tax increase on the business inventory at a time when the antique business has gone through very rough times. The recession has forced many antique shops, antique centers, show

promoters, flea markets, etc. to close their doors or to cut back. Many antiques have dropped more than 50% in value and have not recovered.

I was born into this business and have never experienced anything like this. I saw one collection valued before the recession at \$650,000 sell for approximately \$150,000. Online sales have also experienced a severe drop.

H.297 as written will make many pieces in dealer shops, estates, collections, etc. illegal to sell, thus worthless. Zero value. Keep in mind that H.297 is extremely broad in scope, covering any animal or part thereof. This includes thousands of objects made over the centuries across the globe, as most cultures and religions have incorporated these materials into 1,000s of utilitarian, religious and artistic objects.

A simple example of the impacts: I have in my gallery a piano with ivory keys belonging to a U.S. Senator's wife. Under this bill, we are guilty by association. H.297 makes no distinction for ancient, antique or curio, though the objects can be carbon tested for age. Imagine having a \$35,000 Steinway piano made worthless by the Vermont Legislature. Imagine spending a lifetime collecting Nantucket baskets or pocket books and discovering that your collection has zero monetary value. This law amounts to government confiscations of private property.

This bill is especially bad for any business that holds any animal parts thereof in their inventory. There are dealers who only specialize in miniature painting on ivory. They can be very valuable and beautiful. Most are 18<sup>th</sup> or 19<sup>th</sup>C and can be better than photos. Now worth \$0. This bill will destroy or reduce values for many pieces of art, folk art, antique, oriental antiques and any object (old or new) having these animal parts. It will be illegal to sell them. There are 100's of auctions, garage sales, estate tag sales and online sales affected by this law.

As an appraiser using IRS USPAP Standards requiring fair market value comparison, the monetary values will be zero. Estate taxes in Vermont and sales tax will no longer exist on these pieces, which will greatly reduce state revenues.

Many important historic pieces will no longer come to market or be saved. You can have intrinsic value, artistic value or historic value, but monetary value is what drives the market. Often heirs, executors, estate clean out crews will throw anything they think has no monetary value in the dumpster. I have witnessed it many times. We have sold pieces for well up in the thousands that have come out of dumpsters. If it has no monetary value, then why should we save it? This type of thing is what makes the Road Show interesting.

We have brought many historic pieces to market when we made the estate aware of the current monetary value and found the right institution or collector to preserve the pieces. For example, most recently in an estate we discovered seven illustrated whaling voyage journals from Captain Philetus Pierson (born 1801 Southampton, N.Y.) from 1825-1831, a whale bone swift, sextant and most important a large polychrome painted panbone with scrimshaw scene of a sperm whale hunt. This lot sold for approximately \$30,000 and is

now in residence at the Southampton Historical Society Museum. Under H.297 this will be illegal.

The enforcement of this bill is going to require extensive training of officers and special equipment for testing. You don't want false arrests. How will this all be paid for? It costs around \$500.00 for carbon testing. What is vegetable ivory?

H.297 will surely result in reduced donations to museums (especially maritime museums), as the monetary value is greatly reduced, thus no IRS deduction.

H.297 will result in defacing or destruction - people will remove, pry out inlays, change pistol grips, change sword handles, alter furniture, etc. Many inlaid pieces will be altered as a result of this broad law.

One dealer has told me his inventory contains over 100 different pieces worth \$50,000 that will be worthless under this bill. Again, this bill makes no distinction for ancient, antique, curio, religious, or modern.

This type of legislation will result in honest people moving their valuable pieces to states that will allow the sale of these objects. If they are worthless in Vermont, but valuable in other states, guess what?

This bill will have a devastating effect on so many innocent Vermonters: the local cabinet maker, the piano tuner, the good neighbor helping the elderly with a garage sale, the local antique dealer, the VT Public TV fairground shows, and so many more. If the authors of this bill have motives, they should be so ashamed of themselves for using these magnificent animals for some hidden agenda. Shame on you. This is not the Vermont way!

My family has been here since the revolution and before. As Vermonters, we believe in honest open debate. Everyone is welcome to the table. Let the best ideas come forward to protect the living.