Welcome to the wicked world of Richard W. Hughes

Ladies and gentlemen, sit down, strap yourself in, make the sign of the cross, for we are about to enter the wicked world of Richard W. Hughes, the Devil's Advocate himself. Richard is famous around the world for his irreverent writings on gems and jewelry. He is currently constructing a website and the article this issue is a teaser, a small taste of the content soon to come at www.ruby-sapphire.com.

Background: Hughes resided in Thailand for close to 15 years, a number of those as executive vice president of the Asian Institute of Gemological Sciences. Today he lives in Los Angeles (e-mail: rubydick@ibm.net), where he is in charge of colored stones at EQ/GQI. He has just published his magnum opus, Ruby & Sapphire (1997: RWH Publishing: ISBN 0-9645097-6-8), already a classic. Sample chapters from this book, along with an extensive archive will be found on the site, which will open in the next two months. Bookmark www.ruby-sapphire.com - it's going to be a killer site.

Oh, one more thing. It goes without saying that Hughes' views are his (and probably his alone) and certainly should not be associated with those of the editors of the AGA Cornerstone. Reader comments are encouraged and will be published on the website.

Scrrekkkkkkk:

AM 100: Hello there. Welcome to AM 100, Bangkok's 24-hour traffic watch. Go ahead. Caller: Uh, Sawatdee krup. Sombat here. Right now I'm, uh, sitting on Sukhumvit Road, Soi 47. Uh, not really going anywhere, just sitting here. Traffic jam.

AM 100: (Enthusiastically): Oh, thank you so much, Khun Sombat. Listen up, everyone, traffic is jammed on Sukhumvit Road. So let's all try to avoid it, okay dearies? Now we go to our Eye-in-the-Sky, Khun Narong. Are you there, Narong?

Helicopter: Hello, Khun Amporn. We are now directly above Pratunam market, things are looking pretty grim down there. Suggest that all listeners avoid the Pratunam area...

Readers, please bear with me. This column will sometimes discuss gems. For those who haven't yet heard, let's recap the news. Thailand's economy is dead. Gone. Stuffed in a bottle and sent out to sea. Yes, she was great. But now she's gone and we have woke up with a massive, $200-billion dollar hangover.

The only things left to remind us of what once was are the empty shells of our Gem Towers, the lipstick on our collars and the scent of cheap perfume that hangs in the air like a fart at church. Where shall we start? It makes no difference. In Thailand, the beginning, middle and end all lead to the same place—corruption. Yes, the C-word. We thought we could get away with it, we talked ourselves into it, we believed our own half-baked notion that the C-word didn't matter, we believed that come-one, come-all bullshit lick about how there was enough dough to satisfy even Pop' N Fresh. But now the Pillsbury Dough Boy's here, he's appeared, Mr. One-liner in the fresh. And he has spoken—we're done.

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AGA is a nonprofit research, education and ethics organization benefiting professional and avocation gemologists as well as consumer interest. Membership programs include advanced gemological education seminars, workshops, and the AGA Certified Gemological Laboratory Program.

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For information regarding Cornerstone Contact:
International Headquarters
3309 Juana Street
San Diego, CA 92105

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PRESIDENT’S MESSAGE

What a year it’s been for the AGA!

We have spent the year reorganizing ourselves right down to our roots. The new Constitution (Yes, it passed) will help us run the AGA smoothly over the coming years and clarifies our mission to the general public, the industry, and to ourselves. Thanks again to Jim Jolliff for his initial work on the constitution begun years ago. And thanks to each of you for your supporting votes.

So what else did we do this year?

We produced three separate mailings aimed at clarifying our membership database, culling out past members and updating information on present members. Slowly we are bringing into focus who we are so that we can provide more meaningful programs, services, and events.

Speaking of events - this past year we had a riotous gathering in Las Vegas during the JCK show with speaker Richard Hughes taking us on a journey to the Burmese jade mines (I still have mud between my toes). That was followed in the fall with a group trip to the jewels of the Romonov exhibit at the San Diego Art Museum (ah...the good old days!).

And just as sure as spring comes every year we had our annual conference in Tucson in 1997. Now we are looking forward to all new speakers for Tucson ’98. The upcoming AGA Tucson conference will be a one day event so you can more easily fit it into your busy show schedule. We will be hosting many new speakers from the United kingdom who will provide us with gemological perspectives and news from across the “pond.” You can find more in depth information on the enclosed flyer. Don’t miss it.

As for publications this is your third Cornerstone in ’97 as well as three Newswire releases. Doug Kearney has joined us as our new editor (he is actually a journalist!) and we are looking to increase our communications with you in ’98. If you have something to say or write just give Doug a call at 619-286-1603. He might even write it for you.

In the electronic publishing arena we christened the AGA website under the polygon umbrella (www.polygon.aga.net). The site includes articles and information on the AGA along with a membership listing. We receive regular inquiries for AGA information from visitors to the site and intend to expand it’s features in ’98.

Finally, your 1998 membership dues statement is enclosed. For me the AGA has always been my gemological family and a peer group gathering where I can discuss new information along with everyday issues. But most importantly - AGA is a community of friends. I hope that you will continue to join me in defining the AGA by renewing your 1998 membership.

BULLETINS

Welcome Joe S. Bacon, our newest member!
2002 S. 74th Avenue
Tulsa, OK 74112

The New AGA Constitution has been officially passed! Thanks to all the members who took the time to fill-out and return the ballots. Member participation is what makes this organization strong.

Membership meeting scheduled for February 5, 1998 from 6:00 p.m. till about 7. It will be held in the Gila Room at the Tucson Convention Center.

AGA Board meeting scheduled for February 6, 1998 at 9:00 a.m. in the Tucson Convention Center Onyx Room.
Thailand after the Fall

Continued from page 1—

Natty Bread

Thailand's economic bubble first inflated in the mid-1980s. The yeast came from three separate sources. First was natural resources. The country was rich in a number of areas, including timber, precious stones and fisheries. Second was tourism. Tourists flocked to Thailand to take advantage of some of the world's finest beaches and friendliest people. Finally was Japan. In the mid-1980s, Japan's rising trade deficit with the US forced Japan to move production offshore. Much of Japan's industrial largesse floated south to Thailand. Indeed, during the 1985-1995 period, Thailand's combination of high interest rates and low labor costs made it a magnet for foreign investment, with the local economy leading the world in growth. This vast inflow of foreign dough produced a collective rise in the country's Levi's as cash-rich residents went on buying spree that would have done Imelda Marcos proud. The bleeding edge of Thailand's economic growth was the property sector.

Screkkkkkkkk:

AM 100: Hello there. Welcome to AM 100, Bangkok's 24-hour traffic watch. Go ahead.

Caller: Uh, Sawatdee krup. Boonchu here. Right now I'm, uh, sitting on Sathorn Road. Things are pretty slow. Traffic jam.

AM 100: (Gushing): Thank you, Khun Boonchu. Listen up, everyone, traffic is jammed on Sathorn Road. So everybody try to avoid it, right? Now we go to our Eye-in-the-Sky, Khun Narong. Narong?

Helicopter: Yes, Khun Amporn. We are now above Sanam Luang and it's bad. Real baaadddd. Please everybody, get away, stay away from the Sanam Luang area...

AM 100: Now Narong, that's enough...

Easy come, easy a-go-go

Residents in hyper-inflated economies typically turn to property to safeguard their money and this happened in Bangkok in a big, big way, with even lowly noodle nawobs morphing overnight into property princes. Asset inflation coursed through the rest of Thailand's economy like the drug-rich blood in a smack-shooting junkie. But rather than pump the money into improving infrastructure or education, the landed gentry (many of whom pay little tax) rushed out to buy expensive knickknacks, foreign imports with their new-found wealth. Two-thousand dollar bottles of French wine, solid-gold Rolex wristwatches, biscuit-sized diamond baubles, Italian sports cars and, lest we forget, that icon of Thai wealth, the Mercedes Benz. All these and more became ubiquitous sights in the Big Mango.

After a decade of hyper-expansion, this failure to make good use of the new wealth produced the opposite effect. Rising Thai wages priced the country out of the low-end labor markets for products like textiles and gem cutting, while the general neglect of education at the lower levels of society meant that the minimum-wage serfs didn't have the training to tackle more sophisticated work.

Once-plentiful natural resources like timber, precious stones and fish were now long gone. Even tourism suffered, as Thailand's pristine beaches succumbed to pollution and over-development. Today many beaches have been destroyed, with more dead things lying along them than even next door in Cambodia's killing fields.

While Thai people remain as friendly as ever, not even ridiculously high local interest rates could now keep the foreign money in place; as it faded, so did those famous smiles. The outflow began in 1996—by 1997 it had turned into a torrent of repatriation as foreigners scrambled to get their money out before the entire place collapsed.

The three-shell game

Thailand's dirty little secret was that most of the tremendous growth of the past decade was financed with foreign money. Although even an imbecile could see that the country's problems were not being tackled in serious fashion, it was easy to overlook the gross mismanagement as long as the foreign bread stayed in place. Compounding the problem were the country's political and business leaders, who made collective asses of themselves. Their sole goal in life seems to be finding out just how much public money can be stuffed into their Liz Taylor-sized bras. I've got a little secret, boys— that ain't no Wonderbra. The cash shows. It's hanging out all over, with a trail from the public trough straight to your foreign bank accounts. You people make Ferdinand Marcos look like Mother Teresa.

While the economy was growing in leaps and bounds, corruption was tolerable to many people. This is no longer the case. Now that the scale of the graft is clearer, we the people realize we have been hung up to dry. Many will lose their jobs. Some may lose much more.

Need a for instance? Bangkok has now put up enough "gem towers" to put every dealer on the planet in their own luxury suite.

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Thailand after the Fall

We've got two diamond bourses in a city with only half a diamond trade. We put the world's tallest building into a rabbit-warren so tiny it makes a Moroccan medina look like a planned community. And all this in a city that can't organize two adjacent traffic lights green at the same time. Which is a point in of itself. Instead of building skyscrapers along the main roads, we put them deep in the sois where the land is cheaper, regardless of whether or not the roads or infrastructure can support them. Instead of limiting the number of automobiles by increasing taxation, we will lower the tax on cars because we own the dealerships. Instead of reducing pollution by removing two-stroke motorcycles (who produce the majority of Bangkok smog) from the roads, we will continue their manufacture, again because we own the dealerships. And instead of supporting mass transit, we will protest when the government decides to build a subway station in front of our home, because it might produce dust. And you know how we in Bangkok hate dust.

So let's take an alternative route, okay? Now we go to our Eye-in-the-Sky, Khun Narong. Narong?

Helicopter: Uh, yes, Khun Amporn. We are now above the Bang Na-Trat highway. I don't have words for what I see. Please everybody, get away, stay away. Narong! We'll get right back to you...

**Start the presses!**

Part of Thailand's problem is the endemic censorship of the press. Often this is self-censorship, particularly in the trade press. Big businessmen run hand-in-blissful-hand with the military, who collectively own virtually all of the media and see to it that nary a discouraging word is heard. The watchdog role of the press is thus curtailed, since a dog will hardly bark at its own master, even if that very same master is robbing the house.

Bangkok's newspapers must stand up and be counted. If they spent half the effort worrying about the traffic and pollution problems that they do preaching about the dangers of drugs, the problem would have been history long ago.
Scrrekkkkkkkk:

**AM 100:** Hi! And a big welcome from AM 100, Bangkok’s 24-hour traffic watch! Go ahead.

**Caller:** Er, Sawatdee krup. Park here. Right now I’m, er, uh, parked on Silom Road, in front of one of those empty skyscrapers. Haven’t moved in thirty minutes. Whole street is one big parking lot.

**AM 100:** (Gushing): Thank you, Khun Park! Listen up, everyone, Park is parked on Silom Road, which is all jammed up. So let’s take an alternative route, okay? Now we go to our Eye-in-the-Sky, Khun Narong. Narong?

**Helicopter:** Amporn, baby, this charade’s gotta end. It doesn’t matter where we are, who we are or how rich we are. The whole bloody city is the same. It’s a disaster area, a toxic waste dump, a vast open-air sewer. God, somebody, anybody, please hit the delete key. Bangkok doesn’t need a 24-hour-a-day traffic station, it needs cleansing, total clean-up, a clean sweep. The whole place is one big human rights violation—what we really need is a goddamned UN war crimes tribunal!!!! String up the whole bunch.

Ha! But I don’t care. You think we care? Ha! My crew and I don’t fly around checking the traffic, a fool’s errand if ever there was. No, we are doing like everybody else in this town, getting ours for ourselves. We sold the helicopter to the Cambodians several months ago and with that money, and our fuel stipend, we’ve been living the high life in Tahiti.

**AM 100:** Narong, you dog, ya! I sold all the office furniture and computers and now I’m in Bora Bora. Let’s do lunch...

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**Postscript—crystal-ball ing Thailand’s future**

*Thailand After the Fall* was written in Bangkok in the Summer of 1997, amidst the descent of much plaster, as Thailand’s economy came down around my ears. Just a few edits were included to bring us up to date. It is said that history can teach us everything. In my wildest moments, I still pray to the big lava lamp that this is true, but must confess to the following doubts: A friend had a buddy who was a history major at an English university. After studying the weight of human experience over the past five or so millennia, he concluded that history has taught humans nothing. Thus he killed himself. Who am I to argue with that?

But, since I also fancy myself a study of human history, and, of course, since I’m not quite ready to place revolver to temple, I guess it does no harm to read the tea leaves for Thailand’s future. So, as they say on television, let’s just do it.

In the near term, a hard rain’s gonna fall in Thailand. The times they are a changin’ and nothing that Bobby Zimmerman can say will make a damn bit of difference. Layoffs have already begun; I expect that this will continue over the next two years. The amount of Bangkok’s empty office space is now such that insects are moving into the cheaper units. It will be some time before mammals replace them.

As for the rock and metal trade, I expect to see a move by manufacturers to India, Sri Lanka and China (due to lower labor costs) and resulting discounting in Thailand. Much of this has already begun. Burma is the wild card in this equation. With her raw materials and cheap labor, she could play a major role in the future gem and jewelry trade, but given the myopic views of the current ruling military leadership, who are hell-bent on keeping all to themselves, it seems only a revolution will produce change. So we’ll call Burma the joker. Outside the gem arena, look for Burmese heroin production and timber exports to increase, as the military tries to prop up its overstressed economy in the face of decreased investments from Malaysia, Thailand, Singapore, Korea and other East Asian economies.

Where does Thailand go from here? The country is definitely at a crossroads. A continuation of the past policies of widespread corruption will see a shift of business to lower-priced labor markets like India, Sri Lanka, Bangladesh and China, and this certainly includes the gem and jewelry trades. After all, if you have to manufacture in a corrupt, poorly educated environment,

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Jim Naughter laughs easily and speaks carefully, a well-evolved demeanor considering the ever-changing nature of Naughter's professional responsibilities.

Naughter is the Director of the Certified Gem Laboratory Program (CGLP). When asked how long he's had that title, Naughter guesses six months. Somebody in the background hollers "nine months." With a vocal shrug and a good-natured twist of irony, Naughter says, "It's been a blur, I'm having so much fun."

The source of his wry amusement is the CGLP itself, which is smack-dab in the middle of a crossroads. "We're reorganizing the Certified Lab program," Naughter says, (the we being Naughter and the new CGLP board Members). "We're addressing some problems." One such problem is a lack of accessibility to the CGLP and the information it provides. In order to change that, Naughter actively seeks feedback from members. His primary short-term goal is to get in contact with different labs and introduce himself, thus finding out what members think the program should do.

Further, Naughter is working with two, basic, long-term objectives—attracting more members, and equipping them with the knowledge and skills befitting those at the top of the Gemological Industry. And for those who don't know, the industry is changing. 'Ye olde science of gemology is runnin' raptidly for the 21st century and a lot of folks still holding the leash are left flying like kites. New techniques and equipment for detecting synthetics are constantly outpacing older ones. New Gemological software comes gravid, ready to drop upgrades in nine months. However, according to Naughter, keeping members abreast of these changes is not good enough; legitimate proficiency with the advanced methods and tools is the CGLP's ultimate purpose.

And from the sound of things on the Eastern Front, so far so good.

See the next issue of Cornerstone for the next update!

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A frightening development in the never ending saga of gemstone treatments came to light this last August. The story started out innocently enough, but when the truth finally came out, a wave of fear swept through the world-wide community of gemstone dealers.

Early in the month, two gem dealers based in Bangkok brought me a small selection of 3 to 5 carat cat’s-eye chrysoberyls. Upon first examination they looked like very fine quality natural gems with sharp bright eyes and a very dark brown body color; but the color was just a little different from any cat’s-eye chrysoberyl I had ever seen before.

When I questioned the dealers, they said they had been told the stones were heat treated. I was quite puzzled by this since I had never read anything in any gemological literature about any treatment processes for any of the chrysoberyl family. I checked Kurt Nassau’s definitive work “Gemstone Enhancement” as well as the GIA chart on detecting gemstone enhancements and found nothing.

What I heard next made me begin to question the literature I had just reviewed. The dealers said they had sold these cat’s-eyes to an Indonesian dealer a month earlier for a few hundred dollars per carat. Then, a few weeks later, they bought their gems back from the very same dealer for over $1,000 per carat. Why would any gem dealer in their right mind do something like this?

Simple. When they sold the cat’s-eyes, they were a pale, milky yellow color. When they bought their gems back, they were a much more valuable chocolate brown color. Having known these dealers well for over a decade, I was confident in the veracity of their story.

Gem labs are the super sleuths, the detectives of the gemstone industry. One of the best labs in the world just happens to be around the corner from my office, so I borrowed one of the suspect cat’s-eyes, dropped it in my pocket, and headed for the Asian Institute of Gemological Sciences (now the Center for Gemstone Testing). I gave them the stone, a 3.5 carat oval, and briefed them on the story.

I then set off on my own search to discover the secret of this new treatment process. My dealer friends said the cat’s-eyes came from the Orissa gem deposits in India, so I obtained a dozen small samples from this source, and began a series of heat treatment experiments attempting to duplicate the results I had seen. Every variation of temperature, time and atmosphere produced not the slightest change in any of the samples. This failure lead me to believe we were not dealing with a heat treatment process.

My daily phone calls to the lab all resulted in the same news, “We cannot find anything.” I went back to the dealers and began to ask more questions. During one conversation, one of the dealers inquired, “Is it possible to get sick from wearing one of these cat’s-eyes in jewelry?”

The implications hit me like a ton of bricks.

I called the lab that was checking the sample and got Gary Dutoit on the line. I asked him if a residual radiation check had been done on the stone and he said “No. Hold on and I’ll go get it.” He came back on the line shortly and said “listen to this.” With a Geiger counter on audio, he placed the stone near the machine, and over the phone line I heard the tell tale “Beep beep beep beep beep beep beepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeepbeep.”

Gary quickly found a lead container to safely store the very hot gemstone.

Preliminary testing, using equipment provided by Doug Parsons of Beta Color Ltd., verified the stone was indeed highly radioactive and quite dangerous. I shudder when I think of the time I carried it around in my pocket. The 3.5 carat sample revealed a radioactivity level of 52 nCi/g. This is significantly higher than the legal release levels set by the relevant authorities in the USA (1.0 nCi/g), the UK (2.7 nCi/g), and Asia (2.0 nCi/g).

Subsequent tests by Beta Color have

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shown it to have a moderately long half-life of approximately one-hundred three (103) days, indicating that this particular stone will reach the legal release level in Asia in another sixteen (16) months (around January 1999). Before that time it must be kept in a properly shielded, radioactive materials storage container.

Meetings with lab director Ken Scarratt, and three of the dealers involved, revealed that several hundred carats of this treated material were already circulating through the gem market in Thailand. Further meetings determined that significant quantities were also on the market in Indonesia, where it is believed the nuclear facility responsible for the treatment is illegally releasing the dangerous gems "out the back door." At this point we had to assume the treated cat's-eyes were also making their way into other Asian markets. It was not long before our fears were confirmed.

On September 2, I left for the Hong Kong Show to help out fellow gem dealer Dan McKinney in his booth. Since he processes and sells blue topaz, he has a Geiger counter in his office to check for radioactive stones that have been released before they are safe. I visited several prominent cat's-eye dealer’s booth's and told them the story, offering to check their stones. Fortunately, all of their stocks were non-radioactive.

Word traveled fast, and dealers began to drop by the McKinney International booth to have their cat's-eyes checked for radiation. Every stone we checked was fine, until one dealer visited us just a few hours before the end of the show. He had a beautiful gem of over 30 carats in a gold mounting surrounded by diamonds. It was so radioactive that the Geiger counter went off the scale.

Finding a dangerous cat's-eye in Hong Kong, already mounted in jewelry, shows just how far these gems have been dispersed in the Asian marketplace. Although Ken Scarratt, President of the new Center for Gemstone Testing in Bangkok, has alerted the proper international nuclear authorities about the problem, it is really the gemstone industry's responsibility to police itself.

Unfortunately, radioactivity can not be seen, felt, heard, tasted or smelled, but it can be extremely dangerous. Anyone subjected to close contact with these gemstones runs a high risk of developing serious health problems, with cancer at the top of the list. If you suspect you may have treated cat's-eyes in your inventory, the only safe and sane thing to do is to have them checked in a lab equipped with a Geiger counter. If they are found to be radioactive, they must be stored in a proper storage container until they reach levels safe and legal for release.

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Please send me a membership application for Accredited Gemologists Association

Name: __________________________________________

Address: ________________________________________

City: _____________________________________________

Phone: (__________ ) ______________________________

Fax: (__________ ) ________________________________

Application Guidelines
Membership with full voting privileges is available to professionals holding gemological diplomas from accepted institutions.

Associate Membership is available to students of gemology and avocational gemologists.

Supplier Membership is available to providers of goods and services to the gem & jewelry industry.

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