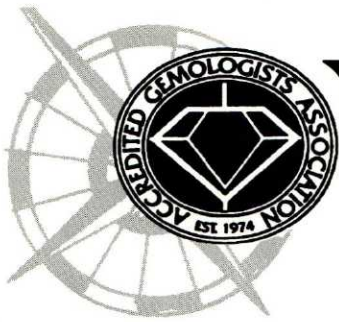


## CORNERSTONE

Journal of the Accredited Gemologists Association



# Devil's Advocate

by Richard W. Hughes

## 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](http://www.ruby-sapphire.com)

**We should warn you in advance:** Hughes is one of the more controversial writers in our field. Not for him a dainty stroll down Sucre Street. Instead he takes readers through the dark recesses of an issue, blasting bile out of all orifices. But while his caustic comments have sent more than one reader round the bend, no one will question his knowledge of the subject or the sincerity of his views. The current article is a standard Devil's Advocate rant, a no-holds-barred dismantling of Thailand's current economic crisis, written after the summer of '97 spent in Bangkok. While the article does not deal solely with gems or jewelry, these events very well could impact the world gem and jewelry trade, given Thailand's leadership position.

**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: [rudydick@ibm.net](mailto:rudydick@ibm.net)), where he is in charge of colored stones at EGL/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](http://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.

## Thailand after the

# LAF

### Screekkkkkk:

**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 good.

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 believed

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.

Continued on page 3—



## PRESIDENT'S MESSAGE

# What a year it's been for the AGA!

**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.

**CORNERSTONE** is a publication of the Accredited Gemologists Association. Paid for through membership dues, this publication may not be purchased commercially. The opinions expressed within are those of the individual authors. AGA can assume no liability for these statements, which are offered entirely for the purposes of informed professional discourse and education.

*Copyright ©1997, Accredited Gemologists Association  
All rights reserved*

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

### BOARD OF DIRECTORS:

#### PRESIDENT

**Thom Underwood, GG, ASA,  
ISA, AGA, NAJA**  
Master Gemologist Appraiser

#### 1ST VICE PRESIDENT

**Joseph DuMouchelle, GG**  
Gem Lab & Appraisal Services  
Plymouth, MI

#### SECRETARY

**Melinda H. Adducci, GG**  
Michigan Gemological Services  
Plymouth, MI

#### TREASURER

**David L. Harris, GG**  
Martin Harris Company  
San Francisco, CA

### BOARD OF GOVERNORS:

**Stanley P. Cohen, GG**  
Stanley P. Cohen & Co.  
Fort Worth, TX

**Therese S. Kienstra, GG, ASA, AAA**  
Clayton Gemological Services  
St. Louis, MO

**B. Young McQueen, GG, FGA,  
ASA, MGA**  
Antares & Company  
Jacksonville, FL

**Anna M. Miller, GG, ASA, MGA**  
A.M. Miller & Associates  
Pearland, TX

**Larry Phillips, GG, ASA, MGA**  
Phillips & Associates  
Albuquerque, NM

**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 Jollif 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](http://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

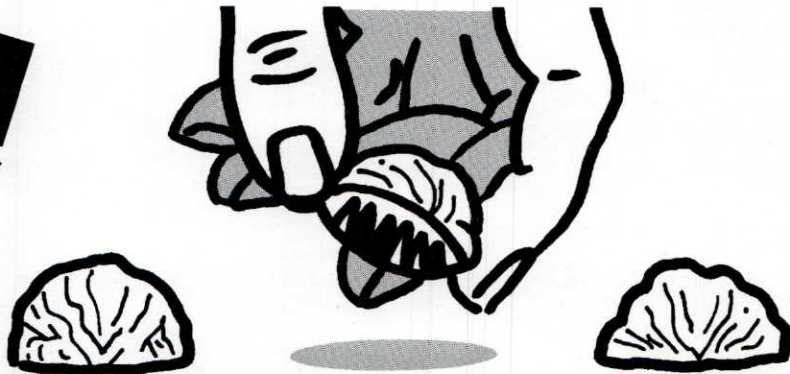
**The New AGA Constitution**  
has been officially passed! Thanks to all the members who took the time to fill-out and return the ballots. Member participation is what makes this organization strong.

**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

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.

### **Screkkkkkkk:**

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

Continued on page 4 —

# 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 soi 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 sky-scrapers 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.

HELLLLOOOOO, IS ANYBODY HOMMMEEEEEE????? Are we all so collectively brain dead that we cannot see that we are steadily being poisoned? Every goddamned one of us in this city has the equivalent of a pack-a-day nicotine habit. Are we all so far gone that we cannot see that we are steadily being robbed by our leaders? How much more of this are we going to take?

We won't tackle this thing that is killing us all because we and our public servants are too corrupt. We play with the traffic and pollution problems like a cat batting around an injured mouse. But the joke is that we are actually the mouse. *Whack!* Do we have to wait until our children can only communicate in emphysemic bleats before we take action? *Whack!* Until even the sun can't cut through the smoke? *Whack!* Until the only things we have left to hand over to our children are a few 55-story grave stones and the picture of a tree? DO WE?? *Whack!* Huh? *Whack* DOO WWEEEEEE????

### Scrrrrrrrrrrrr:

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

**Caller:** *Er, Sawatdee krup. Appichart here. Right now I'm, er, uh, at the intersection of Wireless and Sathorn Roads. The cop hasn't changed the light in three hours, but he's workin' real hard, wavin' his hands around like some kinda magician. Sure wish he'd change the light, though.*

**AM 100:** *(Gushing): Thank you, Khun Appichart! Listen up, everyone, traffic is jammed at the Wireless-Sathorn intersection.*





## Thailand's future

*Continued from page 5—*

why not choose a place with the lowest labor costs? But if Thailand can seriously tackle the high-level business and political corruption, which has produced the current crisis, the future is very bright indeed.

In the short term, I put my money on the inability of Thailand's corrupt politicians and businessmen to change. But my money for the long term (and my heart) is definitely with the human spirit and the wonderful people of Thailand. A smile costs nothing to produce, but its value is more than silver, more than gold, more than even rubies. And no people on this planet produce better smiles than the residents of Thailand. So, as they say on television, just do it! ■

© 1996 Richard W. Hughes  
Article may not be reproduced without permission from the author.

## Certified Gem Laboratory Project Update

# Words from the Eastern Front

*by Douglas Kearney*

**J**im 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 running rapidly 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! ■**

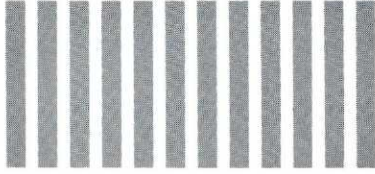


**AGA  
CERTIFIED  
GEM  
LABORATORY**



# CAT'S-EYE WARNING

Continued from page 7



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. ■

## 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.

**AGA will not discriminate against any applicant based upon race, creed, color, national origin, age or gender. Applicants are required to meet substantial member qualifications, and to adhere to the AGA Code of Ethics.**

### Application Guidelines

\$25 Processing Fee (one-time, non-refundable) will be retained by AGA.

\$100 Voting Member Dues.

\$75 Associate Member Dues.

\$50 Student Member Dues.

\$150 Supplier Member Dues.

Make checks payable to Accredited Gemologists Association, in U.S. funds.

Membership is renewable annually (Voting \$100, Assoc. \$50, Supplier \$150).

### Return This Request to:

AGA  
3309 Juanita Street  
San Diego, CA 92105