

# History of Auctions

It seems that auctions have touched almost every century, every industry and every nationality – this list I gave you was just a small sample. Auctions date back so far in history, that no one really knows for sure how they started or who started them.

## The First Auctions

Records handed down from ancient Greek scribes document auctions occurring as far back as 500 B.C. At that time, women were auctioned off as wives. And, in fact, it was considered illegal to allow a daughter to be "sold" outside the auction method.

A "descending" method was used for these auctions, starting with a high price and going lower until the first person to bid was the purchaser, as long as the minimum price set by the seller was met. The buyer could get a return of money if he and his new spouse did not get along well, but unlike a horse, maidens could not be "tried" before auction.

Women with special beauty were subject to the most vigorous bidding and the prices paid were high. Owners of the less attractive women had to add dowries or other monetary offers in order to make the sale.

In Rome, Italy, around the time of Christ, auctions were popular for family estates and to sell war plunder. Roman Emperor and philosopher Marcus Aurelius sold family furniture at auctions, for months, to satisfy debts.

Roman soldiers sold war plunder at auction. The licensed auctioneer, called "Magister Auctionarium," drove a spear into the ground to start the auction. Today we use an auction gavel.

## Auctions Come to America

American auctions date back to the Pilgrims' arrival on America's Eastern Shores in the 1600s and continued in popularity during colonization with the sale of crops, imports, clapboard, livestock, tools, tobacco, slaves and even entire farms. Selling at auction was the fastest and most efficient means to convert assets into cash.

Fur was especially big during this time. In his book, "Going, Going, Gone!," Bellamy Partridge says "the Bible and the beaver were the mainstays of the Pilgrims, the Good Book saving their souls and the beaver paying their bills."

Initially, the furs were collected from Native Americans in the fall and winter, utilizing the "private treaty" method of exchange for "wampum" (the Native

American word which meant money). The raw pelts (or hides) were transported to the closest shipping port. In the spring of each year, the auction method was used to sell the raw peltries to the European merchants who arranged the transcontinental voyage to the Old World. Once the ships returned to the port in Europe, the peltries were auctioned to manufacturers, who would process them for the retail market. The early fur trade was chiefly responsible for the settlement and development of North America.

### **Civil War Era**

Have you ever heard an auctioneer referred to as "Colonel?" It's a fairly common practice, especially at auction schools across the country. This came about during the Civil War era, a time when auctions were beginning to flourish.

History has it that the art of auctioneering was a common practice for Civil War Colonels who regularly auctioned off the spoils of war and surplus. However, only officers of the Colonel rank could conduct them, spawning the use of the term "Colonel" by many auctioneers still today.

A short historical narrative from one of the top auction schools details this process: "As the Civil War progressed, many troop battalions made a practice of seizing property of land owners and merchants as they marched. Contraband would be collected and carried to a favorable area, then the Colonel or commanding officer would sell the goods at public sale. Even after the Civil War, military Colonels traveled to sell surplus goods and seized goods. Auctioneers followed some of the same trails and dressed similar to army Colonels to such an extent that the public began to recognize auctioneers as "Colonel."

### **Other Names for Auctioneers**

Colonel is only one name that auctioneers have been identified with over the years. Other names include "Knights of the Hammer," and "Brothers." The tools of these auctioneers included the Colonel style hat, a cane, bell, hammer or gavel, and a red flag. The flag, often boasting advertising, was placed above where the auctioneer would sell on the day of the auction.

### **Opening of Auctions Schools**

Many auction schools started in the early 1900s in America. The Jones' National School of Auctioneering and Oratory was believed to be the first. It was started by auctioneer Carey M. Jones in Davenport, Iowa. For the first term, the school promoted "competent instructors teaching general merchandise, real estate and fine stock auctioneering." However, many auctioneers at that time did not believe an auctioneer could be "trained." They believed that auctioneering was a natural ability that you were born with.

### **Challenges for Auctioneers**

Though finding goods to sell was not a problem in those days, auctioneers faced other challenges. There was no amplification system for their voices "no

microphones as we know them today. So they had trouble both being heard, and keeping their voices intact.

Because travel was more difficult, and was mostly by horse and wagon, auctioneers enticed crowds by routinely offering lunch to those who came to the sale. Weather often dictated the time the auction started, as all were held outdoors.

### **The Great Depression**

The growth of the auction industry remained until the Great Depression of 1929. Some auctioneers traveled the country to liquidate the estates of farmers whose farms had failed because of drought and bank foreclosures. The decline of the auction method of marketing followed the poor economic climate and did not rebound until after World War II.

### **The 1950s**

Auctioneering began to make great strides after World War II. The sale of goods and real estate was booming. There was a need in certain cases to move real estate and personal property faster than the private market would allow. Thus, the modern day auction business was born. Auctioneers were now businessmen who dressed in suits and ties. They began to nurture the business and raise the reputation of auctioneers. Besides the public, auctioneers began to have links to banks, attorneys, accountants, the court system and government agencies.

### **The 1990s through Today**

During the 1990s, technology was finding its way into the auction business. Auctioneers were using computers, fax machines, cell phones and other technology to make their businesses run faster and more smoothly. Some auctioneers began taking photographs of small auction items and projecting them onto big screens so the crowds could get a closer look at the merchandise.

Auctions burst into cyberspace in the middle of the decade. The ever flourishing eBay was launched in 1995 and would go on to become an "online leader" in the bidding business.

Many auctioneers today offer both live and online auctions to meet the needs of customers near and far. Technology allows buyers to participate in the sale without even being there.

### **The Future of Auctioneering**

Over the years auctioneering has progressed and changed, and today it remains more popular than ever. Most everything thinkable has been sold by the auction method of marketing: antiques, household items, automobiles, land, livestock, homes, designer dresses, business equipment, and more. And thanks to professional organizations like the National Auctioneers Association, auctioneers are privy to countless educational opportunities that help them to keep up on the

latest technology and learn new business traits. They network with other auctioneers to exchange ideas and to find ways to continue to meet the growing needs of the American public.

Auctioneers today are working to earn specialty designations such as Graduate Personal Property Appraiser (GPPA) , Accredited Auctioneer Real Estate (AARE), Certified Auctioneers Institute (CAI) and Certified Estate Specialist (CES). (Tell about any designations you have or classes you have taken.) NAA auctioneers are also bound by a code of ethics that protects consumers against fraud and unfair business practices.

Auctions have been around since the beginning of time because they are a highly efficient and effective business tool “ and they meet the needs of the public. But, they also are fun, entertaining and theatrical. Most people who attend an auction keep wanting to go back again and again.

If you have never been to an auction, join in and become part of history.

## More History

Some scholars argue that the very first auction occurred when Joseph of the Many-Colored Coat was sold into slavery by his brothers, however the first generally accepted auctions occurred in Babylon in about 500 B.C. In those times an auction was held annually, and women were sold on condition that they be married. Beautiful maidens engendered lively bidding, but less comely women had to pay a dowry to be accepted and thus the price could be negative.

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Ancient Romans also auctioned goods. Those auctions were held in the "atrium auctionarium", and the trading was carried out by four functionaries: the dominus, on whose behalf the property was sold; the argentarius, who organized, regulated, and possibly financed the sale; the praeco, who advertised and promoted the auction as well as conducted the bidding; and the emptor, the highest bidder (recall caveat emptor, let the buyer beware.). It is not known whether the auctions were ascending or descending, but ascending is presumed since auctus means increase. Bidders normally did not call out

openly, but rather winked or waved to indicate a bid.

After a military victory a Roman soldier would plant his spear in the ground to mark the location of his spoils. Later he would put these goods up for sale at auctions. The now-rare term, subhastation, meaning a sale by auction, came

from the Latin, *subhastare* (to sell by public auction) which in turn comes from *sub* (under) and *hasta* (spear). *Subhastare*--under the spear. Roman business agents were said to have accompanied warriors into battle to facilitate the expected sales.

The Romans also used the auction to liquidate property. Marcus Aurelius is said to have auctioned off prized heirlooms and furniture (that auction lasted over two months).

One of the most astonishing auctions in history occurred in the year 193 A.D. when no less than the entire Roman Empire was tossed on the block by the Praetorian Guard. First they killed Pertinax, the emperor, and then they announced that the highest bidder could claim the Empire. Didius Julianus outbid all comers and became the emperor for the price of 6,250 drachmas per Guard. Unfortunately, he was beheaded a mere two months later when Septimus Severus conquered Rome. Julianus may have been the first victim of winner's curse. Later, the Empire was restored to the people.

Less is understood about the auction as used in other civilizations. It is known that the auction was one of the four money-raising institutions (the others being pawnshops, mutual financing associations, and lotteries) used by Buddhist temples and monasteries, and as early as the seventh century, the possessions of deceased monks were sold on the block.

The earliest reference to the auction as practiced in Great Britain is from an entry in the 1595 Oxford English Dictionary, but nothing more is known until the final years of the seventeenth century. At that time auctions were held in taverns and coffeehouses to sell art. It is likely that such auctions were held daily and that catalogs, announcing the availability of certain merchandise, were printed.

The firm of [Sotheby's](#) was established in 1744, and Christie's was founded in 1766.

Terms of sale were largely the same in the eighteenth century as now: [\[Brough\]](#)

- 1). High bidder is the buyer. If a dispute arises as to which bid is highest, goods will be put up for sale again.
- 2). No bidder may advance another's bid by less than six pence when the amount offered is less than one pound, or by less than one shilling when the price is one pound or more.
- 3) Merchandise for sale is warranted as perfect, and before removing goods from premises, any buyer may accept or reject them.
- 4). Each buyer must give his name and make a deposit of 5 shillings on each

pound sterling (if demanded); no deliveries will be made during the sale.

5). All purchases must be taken away at the buyer's expense, and the amount due shall be paid within three days of purchase.

6). Any would-be buyer unable to attend the sale may have his commission executed by a representative of the auction firm.

One seventeenth century catalog describes a process called "mineing", which was similar to the Dutch auction because the auctioneer started the bidding high and worked down. A lot was claimed when someone yelled, "Mine". There was an interesting twist though. After the bid descended to the point where a bidder claimed an item, the bidding actually resumed but this time in an ascending format. So the bids went down and then back up again.

The auction migrated to America where it was used to liquidate goods and to sell unsold goods at the end of a season. Domestic animals have been sold this way as have tobacco, natural resources, horses, debt, credit, and, of course, slaves.

Source: *National Auctioneers Association*