



Tom Chatham: "I want to go public, not stay secret."

CHATHAM ON SYNTHETIC DIAMOND

"WE'RE STILL WORKING ON IT"

For Tom Chatham, learning to make synthetic diamonds in Russia is only part of the lesson

by Russell Shor, senior editor

Rumors that synthetic diamonds are infiltrating the gem trade have ripped through the world's diamond centers. But the only person to announce publicly that he was producing such a line says he's still a long way from market.

Tom Chatham, president of Chatham Created Gems, San Francisco, says that continued setbacks have thrown his schedule so far off that "we have no viable date for production start up."

The problem, says Chatham, is that he needs large quantities of easily identifiable synthetic diamonds of whitish color and reasonable clarity grown to specific size (one carat). The Russians can't produce them yet, and can't say when they will be able to.

Chatham announced his synthetic line in 1992 amid much press hoopla, culminating with an appearance on *Dateline*, the NBC news show, earlier this year. The delays have meant eating a certain amount of crow - which Chatham freely admits. They've also taught him that the fundamental law for dealing in today's Russia was written by Murphy ("What can go wrong, will go wrong").

In Chatham's case that's been just about everything.

"I'll admit I was naive at the time I went into dealing with the Russians," he says. "Now I know not to believe anything until it's actually happened."



These six carat-plus sized Russian-grown synthetic diamonds are the latest of what Chatham hopes becomes a \$50 million yearly business.

The adventure begins: Before dealing with the Russians, Chatham had tried the Japanese. "When Sumitomo announced it had developed large, gem quality synthetics [for industrial use], I went to Osaka [Japan] to see if I could buy some of their crystals for a gem diamond line," recalls Chatham. "They told me flat out they weren't interested in the gem business." But he never stopped looking for sources.

His Russian adventure began three years ago after a chance meeting with Dr. Viktor Vins, deputy director of the Institute of Monocrystalline Research in Novosibirsk, a city on the western edge of Siberia. Vins and his boss, Dr. Bukin, had developed production of hydrothermal synthetic emeralds in the 1960s.

"These people had studied methods of producing synthetic emeralds and

were very familiar with my father's writings," says Chatham. (His father, Carroll Chatham, pioneered the "luxury" flux grown method of making emeralds.) "So they were very anxious to talk with me."

Chatham went to Novosibirsk, partly to exchange information, but mainly because a lot of Russian synthetic emeralds were leaking into the market at cut-rate prices. He found a number of institutes there were engaged in crystal-growing research, though some had been cast off by the government after the breakup of the Soviet Union and cancellation of many military projects.

A number of private labs operating within government facilities were looking for work, says Chatham. "I also found that Vins' lab was doing synthetic diamond as well as emerald."