

*Healey would like to know
PM's reaction on Monday.*

de R

Sir Peter SMITHERS

4/3



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 March 1988

I attach a letter from Sir Peter Smithers about the Thyssen Collection. The Prime Minister saw this last night and has commented that we must take advantage of this possibility. She feels that we lost the Gulbenkian Collection because we did not act quickly enough, and feels that if we can do anything about this Collection it would form part of our "2000" celebrations. The Prime Minister is quite happy to see Claud Hankes-Drielsma if necessary but has first asked for urgent advice from your Ministers, in coordination with the Treasury. I should be grateful if you could let me have a note by the weekend.

I am copying this letter to Jill Rutter (Chief Secretary's Office, HM Treasury) and Trevor Woolley (Cabinet Office).

P.A. BEARPARK

Miss E.M. Goodison,
Office of the Minister for the Arts.

SR

Sir Peter SMITHERS
15/3



FILE
DA

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 March 1988

cfp?
NOT CK
GR to keep

Thank you for your letter of 4 March about the Thyssen Collection. The Prime Minister has seen this and has confirmed that she is content with your Minister's proposed course of action.

I have also seen Paul Cuthbert-Brown's letter to you of 7 March.

As I explained on the telephone I think it would be useful for the Prime Minister to send a further reply to Sir Peter Smithers within the next few days. I should be grateful if you could let me have a suitable draft when you judge it appropriate.

I am copying this letter to Jill Rutter (Chief Secretary's Office) and Trevor Woolley (Cabinet Office).

(P.A. BEARPARK)

Miss E.M. Goodison,
Office of the Minister for the Arts.

DA



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Telephone 01-270 5929

From the Minister for the Arts

C88/1350

P A Bearpark Esq
10 Downing Street
LONDON
SW1A 2AA

Prime Minister

Contact with this approach?

Yes no

4 March 1988

*POB
7/3*

Dear Andy,

THYSSEN COLLECTION

Thank you for your letter of 1 March. Claude Hankes-Drielsma has also discussed these exciting possibilities with my Minister.

Mr Luce proposes to take matters forward urgently by convening a small high powered working group led by an entrepreneur (probably Peter Palumbo) who would be charged with formulating a proposition, in further discussions with Claude Hankes-Drielsma. Others whom he has it in mind to invite to take part include Sir Nicholas Goodison, Sir Mark Weinberg, Professor Brian Morris, Mr Angus Stirling and Mr Neil MacGregor (only Mr Palumbo has so far been approached). The OAL would be represented and would service the working group.

We hope that the group can move quickly enough to enable Mr Luce to form at least a preliminary impression of feasibility before Baron Thyssen visits this country in the middle of March. Mr Luce hopes to have some personal discussion with Thyssen in the light of their discussion.

... I enclose a slightly fuller note about the task we shall ask the Working Party to undertake. One obvious and important question is the extent to which it will be practicable to raise private support for the funding of the proposed Thyssen-Bornemisza Foundation. The Prime Minister should also be aware that a large capital sum is being requested to buy 500 'B' quality paintings from the heirs as part of the deal. We must rapidly assess the merits and likely costs of that stipulation.

We shall ask the group to take a thorough look at the total costs, both capital and recurrent, the prospects for private funding and the probable size and shape of any contribution from public funds. Mr Luce will of course keep in close touch with the Chief Secretary over the formulation of any possible deal; and will report again as soon as possible.

My Minister would be grateful to know whether the Prime Minister is content for him to proceed in this way. I am copying this letter to Jill Rutter and Trevor Woolley.

Yours ever,

Bleanor

MISS E M GOODISON
Private Secretary

THYSSEN COLLECTION

The Proposition

The 'A' paintings in the Thyssen Trust (233 masterpieces) should be transferred to a new and independent Foundation to be set up in the UK, fully provided and endowed. In addition a once-for-all capital donation or annual injections of capital should be provided to enable the new Foundation to acquire from the Thyssen heirs a substantial proportion of the 'B' pictures (presumably between 200 and 500 out of 1000).

The gallery requirement is for a modern museum, fully secure and air-conditioned with non-exhibition space for archives, lectures, cafeteria, shops etc. It should have appropriate staff and technical facilities and be open to the public throughout the year in a suitable cultural environment. It should also be free-standing and not connected with other collections. There should be an adequate guarantee of long-term funding in respect of running costs and other activities. It would be run by a Foundation Council in which the Thyssen Trust has a majority of members.

Proposed Course of Action

- (1) A planning committee should be set up urgently to examine the proposition in greater detail.
- (2) The Committee should examine the options of
 - (a) acquiring and renovating the Courtauld Galleries
 - (b) finding some other Gallery building (possibly via the National Trust).

(3) The Committee should make immediate preliminary costings for the acquisition of the gallery, its long-term running costs and the endowment fund needed to purchase the 'B' pictures, in discussion with Claude Hankes-Drielsma.

(4) The Committee should draw up provisional proposals for meeting the identified costs. The first priority should be to examine the prospects for private sector funding of the proposed Foundation. In addition the Committee should identify any probable requirement for supplementary Government funding, including the size, nature and timing of such a contribution,

(5) The Committee should bear in mind questions of location, including the desirability of a site outside London, access by the public and any consequent advantages in terms of employment and tourism.

(6) A note on the options should be submitted to the Minister for the Arts as soon as possible for discussion with the Chief Secretary and thereafter with the Prime Minister, to see whether there is a basis for working out a more detailed proposition.



10 DOWNING STREET

PRIME MINISTER

You did not initial the
attached note.

Are you happy for Mr. Luce
to take this course of action?

PLS

PAB

7 March, 1988.