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LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

Prime Minister²

The Rt Hon Richard Luce MP
Minister for the Arts
Office of the Minister for the Civil Service
Horse Guards Road
LONDON
SW1P 3AL

13 April 1988

Dear Richard

I thought I should let you know of the progress I have made in considering possible historic buildings and other sites to house the Thyssen collection.

We have narrowed the choice down to three historic buildings: the Grange, Lancaster House and Wentworth Woodhouse, and possible sites for a new building in Birmingham, and London Docklands. The latter emerges from Jacob Rothschild's approaches to Paul Reichman, but I remain a little uneasy about the Gallery being adopted by a developer in this way.

I understand that Baron Thyssen has this week signed an agreement with the Spanish Government to negotiate to provide a temporary home for the Thyssen Collection in the Villahermosa Palace. While this inevitably raises questions about the Baron's wish to see the collection housed permanently in the UK if we are to remain in the running for the collection we must act quickly to produce for the Baron a first class presentation of the shortlisted buildings or sites. I would be happy to take the lead and, if you agree, will ask my officials to start to prepare material on these buildings and sites now.

I am copying this to the Prime Minister.

Nicholas Ridley

NICHOLAS RIDLEY



2 PPS
Prime Minister²
CC/BG

OFFICE OF ARTS AND LIBRARIES
Horse Guards Road
London SW1P 3AL
Telephone 01-270 5929

From the Minister for the Arts

C88/2062

Rt Hon Nicholas Ridley AMICE
Secretary of State for the Environment
2 Marsham Street
London SW1

15 April 1988

Dear Secretary of State,

THYSSEN COLLECTION

Thank you for your letter of 13 April.

The Palumbo group has had several meetings and is formulating a report, but its work is not yet concluded. It is working towards a package offer costing some £200m which would be spread over five or six years, to provide a purpose-built gallery in either a renovated historic house or a new museum, and to buy those pictures not gifted by the Thyssen foundation. We will of course take on board your suggested sites in the report.

Before you meet the Baron on Saturday you should see the enclosed declaration which he and the Spanish Government signed on 7 April. This is an agreement between the parties to proceed, within the framework laid down, to conclude a loan of the best paintings (the A and B+ pictures) in the Collection to Madrid for up to 10 years, with options to extend or convert to a permanent agreement. The Spanish Government will refurbish and provide the Villahermosa Palace rent-free for this purpose, and the money so spent can be taken into account in any future financial arrangements.

Naturally your meeting with Baron Thyssen this week-end is extremely important since only he can tell us how watertight the arrangement is. Once you have been able to clarify the situation we can decide the next move. I believe in any event we have been seriously misled in that we were told firmly that no decisions would be taken until June.

I look forward to hearing the outcome of your discussions after which we can take early decisions.

I am copying this letter to the Prime Minister and the Chief Secretary for information.

Yours sincerely,

Rleanor Goodison

RICHARD LUCE

(approved by the Minister and signed in his absence)

ARTEFACT

B

SUE BOND
46 GRESWELL STREET
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On April 7th 1988, the Honourable Javier Solana Madariaga, Minister of Culture of the Government of the Kingdom of Spain and the Honourable Baron Hans Heinrich Thyssen-Bornemisza (Baron Thyssen-Bornemisza) met at the Villahermosa Palace, Madrid.

The signatories hereby declare:

- I. The Thyssen-Bornemisza Collection is a collection of paintings acquired by Baron Thyssen-Bornemisza over a number of years, by inheritance or purchase. It represents a lifetime of collecting by Baron Thyssen-Bornemisza and his late father. The Collection is exceptional for its quality, value, diversity and state of conservation.
- II. The "Thyssen-Bornemisza Collection Trust" is the owner of all the paintings in the Collection.
- III. The paintings in the Collection are divided into four different categories: "A", "B+", "B-" and "C". All of the foregoing are in accordance with the lists held by the parties.
- IV. Both parties wish to enter into an agreement whereby category "A" and "B+" paintings which include the most significant paintings of the Collection be loaned to a Spanish Foundation for their maintenance and public exhibition for a period of up to ten years.

As a consequence of the foregoing and in order to establish the basis of their mutual understanding they execute this document in the following terms:

First.- The Spanish Government and Baron Thyssen-Bornemisza will create a new Private Cultural Foundation under Spanish law, domiciled in Madrid, to which the Spanish Government will provide rent-free (for the same parallel term of years as the loan mentioned in clause Three below) the use of the Villahermosa Palace and which will be endowed by the Spanish Government with sufficient capital for the refurbishment of the Palace and to provide all necessary financial resources to ensure the independence of the Foundation and to ensure that it is able to meet all its artistic and curatorial commitments.

ATTO: EILENN OFFORD

The object of the Foundation will be the exhibition and maintenance of the paintings loaned in accordance with the provisions of clause Three below. The Foundation shall preserve the international vocation and character of the Collection encouraging the periodical exhibition of part of its masterpieces outside Spain.

Baron Hans Heinrich Thyssen-Bornemisza shall be the Chairman of the Foundation's Council or Governing Body. He shall be substituted for and succeeded by his wife, the Baroness Carmen Thyssen-Bornemisza.

Second.- The refurbishment of the Villahermosa Palace shall be completed within eighteen (18) months, undertaken by the Foundation in cooperation with the Spanish Government and begin immediately after the establishment of the Foundation and the execution of the Loan Agreement mentioned in clause Three below. The approval of the Spanish Government will be required for both the Architectural Project and the final acceptance of the refurbishment.

? "L"

Third.- A Loan Agreement for a period of up to ten years shall be executed between the Foundation and the owners of the category "A" and "B+" paintings. The Foundation shall pay to the owners of the paintings as consideration for the loan an annual sum to be determined. Such annual sum will be used, in accordance with terms and conditions to be agreed, for the purchase by the Foundation of paintings of the Collection. The Loan Agreement will be conditional upon the completion and final acceptance of the refurbishment of the Villahermosa Palace.

Fourth.- In Accordance with the provisions of Article 32.1 of the Law on the Historical Patrimony of Spain (Ley del Patrimonio Histórico Español), the loaned paintings shall not be declared, by action of the Spanish Government, to be of cultural interest during the ten-year term of the Loan. Therefore, the paintings shall be free to be exhibited abroad if so decided by the competent body of the Foundation.

Fifth.- It is the intention of the Spanish Government and Baron Thyssen that the Gallery in Lugano should continue to have an important role in the activities of the Collection. The existing arrangements between the Foundation established by Baron Thyssen in Barcelona and the town of Barcelona will also be fully respected and it is hoped that the relationship between the two Foundations will be developed to their mutual advantage.

Sixth.- It is contemplated that during the period of the loan, discussions take place to explore the possibility of achieving a longer term solution, either by way of transferring ownership of some or all of the paintings to the Foundation or extending the loan for a second or further term if the initial lease arrangement works well for all concerned. In the event of such a solution being reached any payments or other compensation paid under the terms of the loan will be taken into account in any future financial arrangements between the parties.

Seventh.- In case of dissolution of the Foundation by the termination of the Loan Agreement or for any other reason, its net worth will revert, upon liquidation of the Foundation, to the Spanish State, and in such event the paintings will be free to leave Spain.

Eighth.- The parties will use their best endeavours to conclude a definitive agreement governing all important aspects of the Foundation Charter, the loan agreement and other relevant matters signed by all bodies affected by these arrangements within three months and also to establish the Spanish Private Cultural Foundation and execute the Loan Agreement of works of art and all related documents within that time.

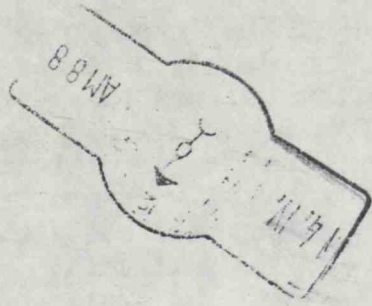
In witness thereof, the parties sign this document, in duplicate originals, in the Spanish and English versions, both of equal validity, in the place and on the date indicated "ut supra".

The Minister of Culture

Baron Hans Heinrich Thyssen-Bornemisza

ARTS & AMEN (RETS)

Thyssen Collection Feb 88





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From the Minister for the Arts

C88/2063

Miss Deborah Lamb
Assistant Private Secretary to the
Secretary of State for the Environment
2 Marsham Street
London SW1

15 April 1988

Dear Deborah,

THYSSEN COLLECTION

Mr Luce was unable, before he departed for Birmingham last night, to include detailed comments on Mr Ridley's five options for housing the Thyssen collection in his letter. I was able to consult him orally however and can let you have his views.

Mr Luce sees the Grange and the two sites in Birmingham and Docklands as the strongest possibilities. The Grange has the advantages of being a historic house which, because of its condition, would be relatively easy to convert to the standards which Baron Thyssen requires. Both the Birmingham and Docklands sites would have presentational advantages because of the economic benefits to the respective areas of siting the Thyssen collection in them.

Mr Luce understands that Lancaster House does not offer enough wall space or light to display the Thyssen pictures adequately. Wentworth Woodhouse would appear to be too remotely located to appeal to the Baron. For these reasons he feels they are not as promising as the other three.

If there is anything else you need before the week-end, please let me know. We should be very grateful for any feedback from Mr Ridley's meeting to inform a meeting of Mr Palumbo's working group early next week.

I am copying this letter to Andy Bearpark at No. 10 and to Jill Rutter in the Chief Secretary's office.

Yours ever,

Eleanor

Miss E M Goodison
Private Secretary

ARTS + AMENITIES: Thyssen collection Feb 88

