

Ref. A088/1423

NOTE FOR RECORD

cc: Mr Anson, Treasury
Mr Wilding, OAL
Mr Jefferson, DoE
Mr Wicks, No 10

Thyssen Collection

Mr Hanks-Drielsma called on Sir Robin Butler this morning to discuss the negotiations over the Thyssen Collection in the light of the Prime Minister's discussion on the telephone with Sir Peter Smithers over the weekend.

2. Sir Robin Butler said that recent developments had caused uncertainty as to whom the British Government should be negotiating with over the Thyssen Collection and who was responsible for its disposal.

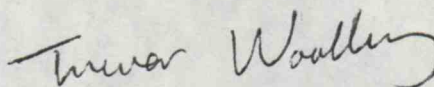
3. Mr Hanks-Drielsma said that while the Government should deal with Baron Thyssen, decisions over the future of the 'A' pictures lay with the Trustees: the 'A' pictures were vested in the Trust. (He expressed some uncertainty as to where ownership of the 'B' and 'C' pictures lay.) He was sure that the Trustees would welcome a proposal to acquire the collection from HMG, although they would not be willing to invite such a proposal. He was arranging for the Secretary of State for the Environment to meet Mr Coleridge, the Baron's lawyer, that afternoon which should permit this interpretation of the position to be confirmed. Mr Hanks-Drielsma continued that the 'agreement' between Baron Thyssen and the Spanish Government should be regarded as no more than a letter of intent: it did not commit the Baron or the Trust in any legal sense.

4. Mr Hanks-Drielsma turned to the question of the formulation of the proposal which he believed the British Government should put to the Baron. He said that it would be wrong to conceive the payment which would be made by the Government as being in respect of the purchase of the 'B' pictures; rather, it should be regarded as compensation to the Trust and its beneficiaries for the gift to the Government of the 'A' and 'B' pictures. It would be right to offer the Baron a choice of locations for the gallery in which the pictures might be displayed, but it was unfortunate that an offer had already been made of a site which had subsequently turned out to be unavailable.

5. Finally, Mr Hanks-Drielsma said that he should clarify his own position. He was not acting on behalf of the Baron. Rather, he regarded himself as an intermediary between the British Government and the Baron.

6. Concluding the discussion, Sir Robin Butler said that recent developments had created the worst possible impression on the British Government. Substantial political, financial and even diplomatic issues were involved in the potential acquisition of the Thyssen Collection and even at this stage there seemed to be uncertainty as to the ownership of the paintings and the point of contact for the British Government. Ministers would need to consider the present situation very carefully and things might become clearer as a result of Mr Ridley's proposed meeting with Mr Coleridge in the afternoon. While it was helpful to have Mr Hanks-Drielsma's advice on, for example, the best way of approaching the Baron, he must be clear that there was no question of the Government negotiating through an intermediary - the Government must deal direct with whoever was competent to make decisions over the future of the collection.

7. I should add that I subsequently discussed this interview with Mr Wilding. Mr Wilding challenged Mr Hanks-Drielsma's assertion that decisions over the Thyssen Collection lay wholly in the hands of the Trust. He said that his understanding was that the Thyssen family had rights of reversion - at least over the 'B' and 'C' pictures. It seemed unlikely that decisions over the future of the collection could be made without the acquiescence of the Baron or at least of the Thyssen family. He also questioned Mr Hanks-Drielsma's advice that the proposal should be framed in terms of the Government paying 'compensation' to the Trust and its beneficiaries. While this had been the line consistently pressed by Mr Hanks-Drielsma, the advice of Mr Coleridge had been that payment would relate to the purchase of those 'B' and 'C' pictures which would be passed to the UK.



T A WOOLLEY

(PS/Sir Robin Butler)

9 May 1988