

CCB/p



Ref. A088/1543

MR WICKS

Thyssen

The Prime Minister may like to see the letter from
--- Robert Alexander QC to Jacob Rothschild, which Mr Rothschild
--- sent me under copy of his letter below.

2. There are some points in Mr Alexander's letter which the
Prime Minister might find it useful to draw on in tomorrow's
Cabinet discussion. I understand that Mr Luce has also had a
copy of Mr Alexander's letter.

3. Mr Rothschild suggested that Mr Alexander might help with
the negotiation with the Thyssen Trustees - without, I hope,
charging for his services! That is a point which I will pursue
with the OAL.

R.R.B.

ROBIN BUTLER

18 May 1988

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CABINET OFFICE
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FILING INSTRUCTION
FILE No.

Private & Confidential

18th May, 1988

Dear Robin,

I am sending you a copy of Robert Alexander's letter,
which I hope you will find helpful.

*Yrs ever.
Jacob*

(Jacob Rothschild)

Enc.

Sir Robin Butler,
Cabinet Office

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The Hon. Jacob Rothschild
14 St. James's Place
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9th May 1988

PERSONAL AND CONFIDENTIAL

Jacob

Thank you for suggesting that I might offer a few thoughts about the possible acquisition of the Thyssen Collection.

I am obviously not expert as to the overall merit of the Collection. But I have seen parts of it in the two exhibitions in London, and it obviously contains a number of extremely fine paintings. My personal view is that the acquisition of the Collection, and the establishment of a Thyssen Gallery to house it, would be a major source of excitement and pride for any country. I appreciate that those responsible for running museums can reasonably feel that in recent years the Government has provided inadequate funding, and that it is illogical against this background of constraints suddenly to find that a very large sum is available to acquire paintings, establish a new gallery and make provision for its maintenance. Some of our own Trustees, the Director and our staff, obviously share this sensitivity. Since we are amongst the more privileged of galleries - both in regard to the exchequer help we have received on private treaty acquisitions or gifts in lieu, and also our attraction for private donors - smaller, more struggling museums will probably feel this even more keenly. If the gallery is located in London, those in the provinces may feel that such a grant favours an already fortunate city in the most prosperous part of the country. The potential for understandable adverse reaction is obviously very much there.

I do not think, however, that in the end this ought to be a discouragement. The paper from Richard Wilding suggests that the Government is willing to make an offer to Baron Thyssen. It is obviously seen as demonstrating a political commitment to the Arts. I do not think that, if such an offer is not made or fails, the consequence would be to release any further money to the Arts over the next few years above that which has already been promised. In other words, I think that the offer should probably be seen as one to make extra funds available on a one-off basis to take advantage of an opportunity which will not recur. Nor do I think that the fact that the Government undertakes a generous maintenance commitment to this Gallery will have a negative effect on the funding made available to other galleries in future years. This is an area in which predictions are obviously not easy, but I would have thought it would be difficult for the Government to maintain a smaller gallery relatively lavishly and yet deprive the National Gallery, and other prominent museums, of an opportunity to maintain their collections and buildings on a broadly comparable basis. I also think that a commitment of this kind by the Government, prominently publicised and widely regarded as a gain for this country, cannot but be a further encouragement to corporate donors to make a greater commitment to the Arts.

I am personally therefore extremely enthusiastic. With regard to the Heads of Agreement, Neil has put together a masterly summary of the problems which have to be considered and the potential difficulties which might arise. But I do think that the short paper called Possible Heads of Agreement is broadly along the right lines. It is obviously necessary to guard as far as possible against the danger of private involvement in the trust giving rise to control being exercised in a way which is unacceptable for a public collection. I do not think we should assume this is likely to happen. The creation of a foundation of this kind can only be on the basis that the donor himself is seeking to make a gesture which will make posterity grateful to him. I believe that there were a good deal of suspicions of the establishment of the National Gallery in Washington by the Mellon family, along the lines that if the Mellons were involved they were bound to be seeking to make money out of it for themselves. Nikko Henderson told me that this was the reason why Congress insisted that entry should be free; there was a concern that, if a charge was made, some profit

would go to the Mellon family! But I do not think that as an approach we should worry too much about the balance of Trustees. If it is thought to be important that the Thyssen nominees should not create a bare majority, then a variant could be proposed which contemplated, say, Baron Thyssen as Chairman, nomination of him by his successor, four other Trustees nominated by Thyssen, four Trustees nominated by the Government, and three Trustees who hold office ex officio from their position in other walks of life. I would have also thought that, given the position of the Thyssen family and enterprises in an increasingly interdependent Europe, that the likelihood of attempts to run the museum for unacceptable private advantage would be relatively slight. I thought the proposed Heads of Agreement showed obvious sensitivity in recognising that the gallery should be named after Thyssen: the old Carnegie/Pullman example still has a basic human application.

There are obviously details in the proposal which are hard to understand. As Neil has pointed out in his comments, the basis of valuation of the pictures (and in particular the valuation by reference to the B and C paintings notwithstanding that the A paintings are being acquired) calls for further explanation. But you may understand this, and perhaps can explain it to me when we meet.

My only basic reservation is as to the position which Thyssen has reached with regard to Spain. I gather that he has agreed to loan the pictures physically to Spain, and that there is some form of informal agreement governing a possible sale. It would clearly be unedifying for us to compete if this agreement were binding in Spanish law. It would possibly also be unattractive if, although not formally binding, all the details had been already ironed out between Spain and Thyssen. If the whole thing has been tied up, but on a basis which was simply subject to formal contract, it might not necessarily be wise to enter into fierce competition. If, however, the basic approach to a potential sale has so far been extremely vague, then it would clearly be justifiable to attempt to put forward detailed proposals which encouraged Thyssen to take the view that the gallery would be best established in this country. I hope this is not straying outside the area in which you wanted my comments: presumably it is a Government decision whether, having regard to relationships with Spain, it is appropriate to compete and no doubt they have given thought to the exact stage which has been reached between Thyssen and the Spanish Government in negotiation.

I will very willingly join you in any way which you think helpful, and would welcome the chance of a talk with Neil and you about this note when you get back from abroad. I should add that I have not seen Peter Palumbo's report, nor the Protocol which I think you said Thyssen had entered into with the Spanish Government.

I am sorry about the length of this letter, which reflects my basic hope that the decision taken by the Government to make an offer for the paintings might succeed. It would have been hard to think a decade ago that this country would have the economic confidence to be thinking in such terms.

Yours ever.

RA

Robert Alexander QC