

Ref. A088/1581

MR GRAY

Very good -- Congratulations to those who have produced it so quickly.

*Prime Minister
You will ~~see~~ see to see - and
to note X.*

*CC BG
(minute only)*

Thyssen

R2C6 20/5

--- I attach a copy of the Government's proposal, in the form in which it is being made available to the Baron and the Trustees. I hope that the Prime Minister will think that it has come out well. In the Baron's case, the letter from the Secretary of State and Mr Luce will be presented separately, with the Prime Minister's letter: in all other copies, Mr Ridley's and Mr Luce's letter will be bound in (but not, of course, the Prime Minister's, which will only be made available personally to the Baron).

X { 2. The Prime Minister will also be glad to hear that Mr Robert Alexander has said that he would be delighted to act for the Government in any negotiations with the Trustees and would not dream of accepting a fee. He has said that he would want to keep closely in touch with Mr Jacob Rothschild, and we see no difficulty about that. We are setting up a support team of three officials from the Treasury Solicitors Department, the Office of Arts and Libraries and the Department of the Environment to support Mr Alexander in the negotiations.

R.B.

ROBIN BUTLER

20 May 1988



file DTS

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

SIR ROBIN BUTLER

THYSSEN

The Prime Minister was grateful for the copy of the Government's proposals which you forwarded with your minute of 20 May. She has commented that this is very good, and sent her congratulations to those who have produced it so quickly.

She has also noted that Mr Robert Alexander has said he would be delighted to act for the Government.

PAUL GRAY

23 May 1988

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SUBJECT
CC MATTER



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

SIR ROBIN BUTLER

THYSSEN COLLECTION

You discussed with the Prime Minister this morning the question of the line to take should news of the Government's proposals to Baron von Thyssen become public. The Prime Minister's hope is that we can say as little as possible, preferably nothing more than:

"It is known that the Trustees of the Thyssen Collection are considering its long term future. Britain is among the countries which have expressed interest, because of the unique nature of the Collection".

(C. D. POWELL)
20 May 1988

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CABINET OFFICE
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to B. Ingpen.
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23-J

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robin Butler KCB CVO

Ref. A088/1579

20 May 1988

Dear Richard,

Thyssen

will request if required.

Many thanks for your letter of today. I am delighted that Mr Alexander is willing to act on our behalf in the negotiations with the Thyssen Trustees and for my part I am content with the team which you have proposed.

I have now also received the first copies of the documents, which seem to me admirably presented. I should be grateful if you would pass on my warm thanks to those who produced them at such short notice.

I had a word with the Prime Minister this morning about the defensive note. She suggested shortening the first answer, and I attach a revised version of the note, which I should be grateful if all recipients could follow, and make available to their press offices as necessary.

I am copying this letter to Nigel Wicks (No 10), John Anson (Treasury), Brian Jefferson and John Turner (DOE), and Penny Dayer (Treasury Solicitor's Department).

Yours ever,

Robin

R W L Wilding Esq CB

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THE THYSSEN COLLECTION: RESPONSE TO PRESS AND OTHER ENQUIRIES

No statement of any kind should be volunteered about the fact that HMG has made a proposal to Baron Thyssen.

If asked whether HMG has done so, the answer should be:

"It is known that the Trustees of the Thyssen Collection are considering its long-term future, Britain is among the countries which have expressed an interest because of the unique nature of the Collection".

If asked about possible sites:

"Clearly, possible sites must form part of any discussions, but no further details can be given at this stage".

If asked about cost:

"It would not be helpful to discuss costs at this stage. Clearly any proposals for expenditure would be subject to Parliamentary approval in due course".



Baron Hans Heinrich Thyssen-Bornemisza
Villa Favorita
Via Riviera 14
Lugarno
Castagnola CH6976
Switzerland

19 May 1988

Dear Baron Thyssen - Bornemisza

Her Majesty's Government understands that you and the Trustees of the Thyssen-Bornemisza Collection are considering the long-term future of the Collection.

Her Majesty's Government wishes to take this opportunity to propose arrangements for providing a permanent home for this pre-eminent Collection in the United Kingdom. Her Majesty's Government believes that this would bring great benefits both to the British people and to the many visitors to this country; and would thus at the same time fulfil your own objective of making the Collection as widely accessible as possible. If the Trustees were to decide, with your own approval, that this magnificent Collection should be located in the United Kingdom such a decision would be warmly welcomed by Her Majesty's Government.

Of course, the decision cannot be that of Her Majesty's Government alone. An acquisition as important as this must be sanctioned by Parliament. Her Majesty's Government would be willing to seek approval from Parliament to the acquisition if arrangements to the satisfaction of both the Trustees and Her Majesty's Government can be agreed in principle. We have been authorised to say that, to achieve such agreement, Her Majesty's Government would welcome the opportunity to discuss arrangements on the lines set out in the note enclosed with this letter.

Her Majesty's Government, and Parliament before it sanctioned the acquisition, would need to be satisfied of various important matters included in the note and its annexes. It would of course be especially important to be clear, before Her Majesty's Government approached Parliament, that no dispute could foreseeably arise over the power of the Trustees to pass an absolute and unencumbered title in the pictures to the new Foundation in the United Kingdom. We feel sure that you and the Trustees would give our representatives the assistance they will require to confirm this and other points.



Because of the pre-eminent position of the Collection Her Majesty's Government would intend not only to seek the sanction of Parliament for its acquisition but would also ask Parliament to provide, through legislation, for the establishment of the new Foundation in the United Kingdom which would own and control the pictures. It is considered that the status conferred on the Foundation by such statutory authority would be commensurate with the importance of the Collection and would best achieve the arrangements for the Foundation which Her Majesty's Government believes will be thought desirable by yourself as well as by Parliament.

Her Majesty's Government would hope that you and the Trustees would decide in principle before the end of July whether they wish to pursue this proposal.

Her Majesty's Government recognises and admires the generosity and munificence involved in the suggestion that this Collection might have its permanent home in the United Kingdom and your own indication that you would welcome a proposal to this end, and it warmly hopes that you and the Trustees will give these proposals favourable consideration.

We are sending a copy of this letter to Mr Paul Coleridge as chairman of the Trustees.

SECRETARY OF STATE
FOR THE ENVIRONMENT

MINISTER FOR THE ARTS

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THE THYSSEN-BORNEMISZA COLLECTION

Her Majesty's Government (HMG) is interested in negotiating arrangements under which the Thyssen-Bornemisza Collection could be given a permanent home in the United Kingdom. This note sets out the Government's view on the form that such arrangements should take.

2. HMG understands that the Collection, which is owned by the Thyssen-Bornemisza Art Collections Trust, at present comprises 1365 pictures as follows:

	A	B+	B-	C	Totals
Old Masters	127	218	127	56	528
Modern Masters	100	278	316	143	837
<hr/>					
	227	496	443	199	1365

3. The main features of the arrangement would be:

(a) All the 227 A pictures, at present on loan to the Thyssen-Bornemisza Foundation in Lugano, should be made over in perpetuity to a new Foundation, to be set up as soon as possible in the UK for the specific purpose of owning, caring for and exhibiting the Collection to the public. Further proposals for the constitution and powers of the new Trust are at Annex A.

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(b) The best of the 'B' pictures (about 500) would also be made over to the new Foundation, together with such other pictures from the Collection as may be mutually agreed.

(c) HMG would be prepared to ask Parliament to grant up to a maximum of £120m which it would pay to the Trustees in compensation for the rights surrendered in (a) and (b).

(d) Subject to any necessary Parliamentary approval, HMG would ensure the provision of a Gallery on a site to be agreed with Baron Thyssen-Bornemisza, constructed and fitted out in such a way that the Collection can be cared for and exhibited at a high standard and be accessible to the public. Further proposals for the site, reflecting preliminary discussions with Baron Thyssen-Bornemisza, are at Annex B. HMG would expect the construction cost of such a Gallery to be around £38m, excluding site costs.

(e) The Gallery should be named "The Thyssen Gallery". In addition to the storage and exhibition of the pictures, it should make provision for conservation, and have other facilities, eg for education and scholarship, appropriate to a major public gallery.

(f) HMG would seek Parliamentary approval to make a contribution of up to £4m towards the maintenance and running costs of the Gallery; the Foundation would be responsible for raising any additional sums that were necessary for these purposes, eg by charging for admission.

4. The next step should be the holding of negotiations between HMG and the Thyssen-Bornemisza interests in order to arrive at a detailed and binding agreement. While these negotiations are in

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progress, no other negotiations would take place between the Thyssen-Bornemisza interests and any other Government or interested party over the future of the Collection; and no new loans of pictures from the Collection would be made without full consultation with HMG. As part of the negotiations, steps should be taken to assure HMG that the present Trustees are in a position to pass an absolute and unencumbered title in the pictures to the new Foundation.

5. It is proposed that the agreement to be negotiated should take a form in which:

(i) the first step would be to set up the new Foundation, appoint its Trustees and enable it to employ a Director and such other staff as are needed to carry out preliminary work;

(ii) decisions would then be taken about which B and (if any) C pictures would be acquired by the new Foundation;

(iii) appropriate arrangements would be made for the vesting of the pictures in the new Foundation and for their physical delivery to its Trustees; and for the timing of payments by HMG under paragraph 3(c) above in relation to the timing of delivery;

(iv) prior to the taking of decisions on acquisition by the new Foundation, facilities for inspecting and verifying the authenticity, condition, title and deliverability of the pictures concerned would be extended to experts nominated by HMG for this purpose;

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(v) the Trustees of the new Foundation would be responsible for obtaining the necessary planning consents, drawing up the brief for the new building and ensuring its construction within cost limits laid down by HMG.

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ANNEX A

THE THYSSEN-BORNEMISZA FOUNDATION IN THE UNITED KINGDOM

1. The Collection and the Gallery would be vested in an independent body of Trustees set up by legislation.
2. Baron Thyssen-Bornemisza would be the first Chairman for as long as he wishes to serve, with the right to nominate his own successor subject to the consent of HMG. Thereafter the Trustees would elect their own Chairman, again subject to the consent of HMG.
3. In addition to the Chairman, there should be 12 Trustees, 5 appointed by the Thyssen-Bornemisza interests and 7 by HMG. All Trustees (with the exception of Baron Thyssen-Bornemisza as first Chairman) to serve for a period of 5 years, capable of renewal. An appropriate definition of the Thyssen-Bornemisza interests would be needed for incorporation in the founding legislation or other instrument.
4. The Trustees should be equipped with the necessary powers to
 - (a) appoint and employ a Director and staff;
 - (b) care for, preserve and add to the objects in their Collection;
 - (c) exhibit the objects to the public and provide access to them for the purposes of study and research;
 - (d) generally promote enjoyment and understanding of the fine arts.

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(e) carry out all the managerial and administrative functions required for the fulfilment of the above objects.

5. Since the "A" and the best "B" pictures are to be transferred under a condition of perpetuity, the Trustees would not have powers to dispose of them. They would however be empowered to dispose of other items in the Collection, subject to the approval of HMG. The proceeds of any such disposal may be applied by the Trustees to the purposes of the Gallery as they see fit.

6. The Trustees would obtain the consent of HMG before disposing of any land or buildings.

7. The Trustees may loan items from the Collection for exhibition elsewhere in the UK or abroad, subject to suitable arrangements for ensuring that a high proportion of the "A" pictures is always on exhibition in the UK.

8. The Trustees would appoint a Director of the Gallery with the consent of HMG. They may also appoint other employees.

9. Within the limits of their annual income, the Trustees would be free to pay to their employees such remuneration and allowances and to appoint them on such other terms and conditions as the Trustees may determine. The salary of the Director would be subject to approval by HMG.

10. There would be an appropriate requirement for the minimum number of days in the year on which the Gallery would be open to the public.

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11. The Trustees would appoint their own professionally qualified auditors. The Comptroller and Auditor General would have access to their books and records.

CANARY WHARF: LONDON DOCKLANDS

Canary Wharf, which lies alongside the River Thames immediately to the east of the City of London, is to be developed to provide a new business district. It will include 12.5 million sq ft of office and retail accommodation and hotel and leisure facilities and will be the world's largest single development.

Two sites (1 and 2 on the enclosed plans) could be made available for the Gallery. The first site lies on the proposed West Ferry Circus, on axis with the main approach to Canary Wharf, and enjoys views up river to the City. The second site lies on the waterfront to the south of West Ferry Circus. An indication of the proposed development of Canary Wharf is shown in the enclosed drawings.

The site will be served by the Docklands Light Railway which will provide access to Bank Station and the underground network and London City Airport which lies 2 miles to the east. The Docklands Highway, now under construction, will connect Dockland to Britain's motorway system. The proposed east London River crossing will connect to the A2 and, by 1993, the Channel Tunnel will complete motorway and rail links with Europe. Parking for 6,500 cars will be available within Canary Wharf. The new Thames Line Riverbus will link Canary Wharf with stations on the river from Chelsea to Greenwich. More than 20 million people live within one hour's travel time.

The construction of a gallery could be timed to coincide with the completion of the development of Canary Wharf in 1992.