

CONFIDENTIAL



Prime Minister

So far, so good.

Very good N.C.W.

23.5

Ref. AO88/1584

PRIME MINISTER

The Thyssen Collection

I travelled to Lugano on Saturday with Mr Hanks-Drielsma and delivered the Government's proposal to Baron Thyssen. We were genially received and the form of the proposal and your letter gave the Baron pleasure. I judge that this stage of the operation went well and subsequent events described later in this minute point the same way.

2. Mr Hanks-Drielsma and I were invited to lunch with the Baron and Baroness but we had to miss this because our flight was delayed by 1½ hours as a result of industrial action by air traffic controllers in France. We arrived at about 2.20 pm having been driven from Milan by Sir Peter Smithers.

3. We were shown the gallery while the Baron and Baroness finished lunch; and the Baron then joined us. I explained that I came as Secretary of the Cabinet and that the Cabinet had approved the proposal on Thursday. The Baron first read your letter, commenting that a manuscript letter of this type must be a rare document, and was clearly impressed by the presentation of the proposal. He then read quickly through the proposal with us. I explained that the proposal was a detailed one because the Government had wanted to make quite clear the terms of its proposal, to which it had given much thought, and I also explained that we were proposing to ensure the permanence of the arrangements by enshrining them into a Law passed by Parliament: the Baron appeared favourably impressed by this. I finally said that we had so far managed to handle the matter in strict confidence and would try to go on doing so: if we received



enquiries from the press we proposed to say that we had naturally expressed an interest in Britain's providing a permanent home for the Collection in view of its unique quality, but that we were just one of a number of countries which had done so. I further said to the Baron that, having considered what proposal we would be able to make for a long-term solution for the Collection, we were now placing it in the hands of himself and the Trustees and would leave it to them to reach their decision.

4. Baron Thyssen said that he was fully content with the way we were handling it and agreed with the line we should take if there were press inquiries. He explained a little about the nature of the Trust and the distinction between the 'A' pictures and the rest; he said that his son was well disposed to the 10 year loan to Spain, because he thought that the pictures would appreciate further during this time, but he himself thought that this would apply more to the 'A' pictures than to the ones in which the heirs have an interest. He was about to go to Spain for discussions about responsibility for choosing an architect for adapting their gallery: he said that he did not want to be bothered with such things but would stipulate an architect if that were necessary. He said that the timing of our proposal was very helpful since it could be considered at the forthcoming meetings of the Foundation and the Trust. He asked me to make sure that a copy went to Mr Coleridge.

5. Then, at Mr Hanks-Drielsma's suggestion, he took me upstairs to his personal apartments to show me the pictures there. I said that I had picked up a catalogue of the Lugano Exhibition to take back to you, and the Baron then produced a copy of the London catalogue in which he inscribed a message to you. I am sending this through separately.



6. The Baroness did not put in an appearance, although the Baron was clearly expecting her to do so. He spoke to her on the internal telephone and excused her on the grounds that she was upset because her favourite dog was ill. Mr Hanks-Drielsma and I then took our leave and Mr Hanks-Drielsma, who clearly has an easy relationship with the Baron, arranged to see him the next day.

7. Mr Hanks-Drielsma has this morning reported to me on his further conversation with the Baron. He said that our proposal had been received very well indeed and was regarded as far better than anything received from any other Government including the Spanish. The Baron had asked Mr Hanks-Drielsma whether he thought that the pictures could be loaned to the Spanish for a period before the British proposition came into effect and Mr Hanks-Drielsma had told him that frankly he believed that this would not be possible. Once the pictures had gone to Spain the British Government could have no confidence that they would ever be released: it was one or the other.

8. The Baron had some detailed comments on the proposal, which he had obviously gone through with great care. He said that he had long wondered whether it would be better for the pictures to go somewhere like Birmingham where they would be the dominant Collection but that, if it were a choice between Birmingham and the Docklands site, he was bound to choose Docklands; and he liked enormously the site in Docklands overlooking the river (Site 2). He had agreed that the 'A' and the overwhelming majority of the 'B+' pictures should be made over to the new Foundation but had questioned whether the 'B-' and 'C' pictures should be provided. (Our proposition talks of "the best of the 'B' pictures (about 500) together with such other pictures from the Collection as may be mutually agreed"). He wanted the name of the gallery to be 'The Thyssen-Bornemisza Collection Gallery'. He was impressed by the figure of £4 million for HMG's recurrent contribution to the maintenance and running



costs of the gallery, but assumed that this would be dynamised as the value of money changed. On the unencumbered title to the pictures, he commented that one of the heirs was a minor whose mother had not agreed to anything on his behalf; but he had no doubt that this was a problem which the lawyers could sort out. On the Trustees, he preferred an arrangement by which equal numbers were appointed by both sides with himself as Chairman having a casting vote but HMG having a veto over the matters on which they needed protection. On para 5 of Annex A, the Baron had commented that while the 'A' pictures must be kept together in perpetuity, he thought that the Trustees might be given powers to dispose of 'B' pictures if they wished to use the proceeds to acquire other pictures. On paras 8 and 9 of Annex A, he was worried about the controls over the Trustees in appointing the Director of the gallery and in approving his salary.

9. The Baron had asked for a copy of the proposal to be taken to his eldest son whom he is meeting in the Netherlands tomorrow and I have arranged this through Mr Hanks-Drielsma. Two copies have also been given to Mr Coleridge, the Chairman of the Trustees. Both the Baron and Mr Coleridge have warmly welcomed the prospect of handling the legal aspects with Mr Robert Alexander whom they both know very well. Mr Coleridge has confirmed that, while there will be points to discuss, the Trustees do not intend to haggle. Both the Baron and Mr Coleridge appear to think it reasonable that we should have a firm answer by the end of July and, if that answer is given in our favour, there should then be no negotiations with other parties.

10. This adds up to a picture which Mr Hanks-Drielsma interprets as the Baron having accepted that our proposal provides what he wants for the long term future of his Collection and the Baron's main preoccupation now is to extricate himself with honour from the Memorandum of



Understanding he has signed with the Spanish Government. That may be too optimistic. But the initial reception to the proposal has clearly been very favourable indeed and the Baron is commenting on detailed points in a way which suggests that he regards it as a serious prospect.

11. The Minister for the Arts is seeing Mr Alexander tomorrow evening and Mr Alexander will be given a copy of the proposal. Informal discussions between him and Mr Coleridge can then start as soon as convenient for both of them.

12. I am copying this minute to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for the Environment, the Minister for the Arts and the Attorney General.

R.B.

ROBIN BUTLER

23 MAY 1988