

Note of Topics raised during Prime Minister's visit to  
Christie's - 20th April 1983

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1. Belton. The P.M. was aware that Belton has ceased to be a viable proposition, and that Lord Brownlow had moved to Paris, and therefore she was not surprised to learn that the estate was to be sold.
  
2. Chairman mentioned that he was addressing a meeting of the Conservative Arts Committee that evening (at 6 p.m.) to talk about the importance of maintaining London as the centre of the international market. It was an opportune moment to stress that the introduction of the premium by Christie's had been an important step to obtain business here in London to compete with the lower vendor's commission rates which were available on the Continent, and in particular Geneva, where Christie's were already charging the premium.

It was regrettable that certain Conservative members had seen fit to support Andrew Fauld's bill to abolish the premium.

3. In recommending clients to explore the private treaty route we considered Christie's had a record second to none among London valuers, but it was worrying that as a result of

protracted negotiations with the Office of Arts and Libraries, clients were becoming disenchanted with the in lieu procedures.

When mention was made of the Woburn position, the P.M. thought this had been settled some 18 months ago. The Chairman assured her that was not so, there being much delay over the questions of conservation and public access, and Lord Tavistock and his Trustees were incurring interest at £200 per day on the outstanding C.T.T. Indeed, Lord Tavistock had indicated he was so disenchanted that he was seriously considering other alternatives.

4. On this question of negotiated sales, the Chairman highlighted the problem arising in relation to costs of valuation and sale. Where exempt objects are sold on the open market, such costs are fully allowable in calculating both the C.G.T. and C.T.T. liabilities. Because of the Treasury rule that "each side bears its own costs" no such allowance could be made in arriving at the "net special price" and thus the client's costs had to be deducted from the net sum received from the purchasing institution.

This often distorted the apparent advantage to be derived from private treaty negotiations, and reduced the incentive of private clients to pursue this route. To some extent, the advisers kept their commission to a minimum (say 5%) but if costs were allowable (as in auction sales) the incentive to advise private treaty sales would be strengthened.

5. Another disquieting development concerned the advance notice that had to be given to the Museums and Galleries Commission whenever an object, exempted after September 1982, was to be sold. The Chairman agreed in principle that it was right that the U.K. public collections should be aware of such sales, but in his view it was wrong that one of the members of that Commission should be an active dealer (Hugh Leggatt) thereby gaining access to confidential information not only relating to important works of art coming on to the market, but also learning the requirements of public collections.

We are concerned that this situation may lead to a lack of confidence in the operation of this three months' rule.

*Christie's*

20.4.83.