

cc Sir R. Amstrong.



2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Your ref:
20 June 1980

See Peter Nichol

You will by now have seen a draft cleared by Arthur Cockfield in reply to a letter you received from Nicholas Phillips about the Luton Hoo Collection.

The background here is that Nicholas Phillips is anxious to set up a charitable trust to look after the Luton Hoo and its Collection, worth at least £15 million. However, he is, understandably, unwilling to provide a further large sum - perhaps £2 million - to endow it. He believes that the charitable trust should be able to sell one or two important objects from the Collection to provide the funds necessary for the endowment. This could be done with minimum damage to the Collection as a whole: but if a CTT "clawback" is made (at a rate of 70%) so much may have to be sold to raise the endowment that the only sensible course is to dispose of the whole collection on the open market.

In my view a dispersal of this Collection would be a tragedy and a blow to the Government's attempts to preserve the heritage. I therefore want to suggest that Mr Phillip's proposal is very seriously considered; indeed I believe that necessary amendment to the law to allow it should be made as soon as possible.

I am copying this to Norman St John Stevas and Lord Cockfield.

*See Mr
H.H.*

MICHAEL HESELTINE

The Rt Hon Margaret Thatcher MP
Prime Minister