

Miss Elliott
PS to Minister of State

17/4/67
584/68
RUSSELL COURT AND EUROPA HOTELS

1. A reply to the Department's submission about special financial assistance for the Russell Court and Europa Hotels has now been received from HM Treasury. In it Treasury have confirmed their earlier refusal to assist the Russell Court but have indicated that they are prepared to approve a waiver of interest for one year on the Government loan to Grand Metropolitan Hotels in respect of the Europa Hotel - the amount involved is about £60,000.
2. Mr Mais has already spoken to Mr Orme about this and the Minister has agreed to accept the Treasury proposals.
3. At their meeting with the Minister in November last, representatives of CIE, who own the Russell Court Hotel, had also asked about payments of capital grants on the hotel. Currently a balance of £11,666 is due on grants already offered and CIE may be eligible for further grant of between £50,000 and £70,000 depending on the admissibility of certain expenditure.
4. The Department considers that, subject to an assurance from CIE that they will keep the Russell Court open for another year, the sum of £11,666 could now be paid and consideration given to a further grant offer.
5. The Minister told the CIE representatives that he would write to them when a decision had been reached about their request and a suggested draft letter is attached.

[Signature]
J D THOMPSON
13 February 1975

Department of Commerce

c.c. PS to Secretary of State
Mr Kidd, Department of Finance ✓
Mr Buxton, NIO
Secretary
Mr Mais
Mr Thompson
HQ(2)

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DEPARTMENT
MINISTRY OF COMMERCE
64 CHICHESTER STREET
BELFAST BT14JX

Mr J Byrne
Chief Executive
CIE
Houston Station
DUBLIN 2

February 1975

Dear Mr Byrne

When I discussed the financial problems of the Russell Court Hotel with you and Mr Stanley in November last I promised to give further consideration to the proposals which you put to me for special Government aid.

I have now reviewed the background to your request and discussed the various points which you made with my Treasury colleagues and I very much regret that, in present circumstances, we cannot assist you.

I must apologise for the fact that it has taken so long to convey this, no doubt, disappointing reply but you will appreciate that we were anxious to carry out a proper examination of your proposals and you will recall that I was not optimistic about being able to help when we spoke in November.

While I fully understand your anxieties about the losses on the Russell Court, I hope that the present improvement in the situation in the Province will persuade you to reconsider your views about closing the hotel. I should add that a decision to keep the hotel open for a further year would enable the Department to release the balance of capital grant outstanding and to consider an offer of further grant against expenditure incurred over and above the original estimate.