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From the Secretary of State

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Clive Whitmore Esq
Private Secretary
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London, SW1

2 July 1980

Dear Clive

CHARTER FLIGHTS FOR THE OLYMPICS

My Secretary of State was grateful for the Prime Minister's agreement that he could raise this matter at OD this afternoon.

The background is as follows. Aeroflot have sought the approval of my Department to operate 18 special charter services between London and Moscow and Leningrad to carry visitors to the Olympic Games. These are spectators: the competitors and their officials are travelling by scheduled British Airways services. To refuse approval my Secretary of State would have to use powers available under the Air Navigation Order 1976: but the Attorney General has reservation about the use of these powers on which he will speak at OD. Since BA are not operating any charter services to the Olympics (and, contrary to press reports, this Department did not seek to influence their decision) and since no other British airline operates regular charters to the Soviet Union in the Summer, the tour operator, David Dryer Sports Travel, is most unlikely at short notice to find another airline to carry his clients.

In my Secretary of State's view, this is a difficult political decision, but one which, with the start of the Olympics only three weeks away, needs to be taken quickly.

CONFIDENTIAL

From the Secretary of State

CONFIDENTIAL

In favour of refusing the Aeroflot charters it can be argued:-

(i) to do so would be consistent with our policy since the invasion of Afghanistan of acting against special events, special contracts and special trade arrangements in a way which is likely to have an impact on the Soviet Government and people;

(ii) the charters are directly related to the Olympic Games on which the Government has taken a very firm and widely publicised position. If we allow them to go ahead we will give more ammunition to those who argue that the athletes alone are being picked on;

(iii) the public and in particular the Government's supporters would find it difficult to accept that the Government had allowed a situation to arise where Aeroflot and not BA were getting the commercial advantage of special charters for the Olympics.

The main arguments in favour of granting the Aeroflot application are as follows:-

(i) we should not lightly breach our normal principle of avoiding the intrusion of politics into civil aviation. After the United States, we have the second largest civil aviation operation in the world, and are vulnerable to counter-action by others;

(ii) the Russians might retaliate not just in civil aviation but against our trade or other interests;

(iii) the tours cost at least £400 per person and the tour operator has required a 25% non-refundable deposit. It may well be that by now more than that will have been paid. There is a legal argument that cancellation of the tours as a result of Government action would void the contracts between the tour operator and his clients, but it is by no means certain that the arbitrator would support this line. Frustrated travellers who have lost £100 or more of their own money would attract a good deal of public sympathy, and the support of their Members;

CONFIDENTIAL

From the Secretary of State

CONFIDENTIAL

(iv) the Government might be accused of picking again, in their post-Afghanistan policy, on the weak and defenceless - tourists as well as athletes - while allowing large companies to carry on trade with Government-supported credit.

My Secretary of State would be glad to hear the views of his colleagues this afternoon on a matter where in his view the political issues are much the most important.

If the Aeroflot charters are refused, he thinks it essential that the Government should be ready to make available funds to recompense would-be travellers to Moscow for their lost deposits, provided that there is no other basis on which they can recover their money. However, it might be undesirable to make that fact known in public at this stage. The best estimate we can make is that the maximum liability would be of the order of £100,000.

I am copying this letter to the Private Secretaries to the other members of OD, as well as to Bill Beckett (Attorney General's Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours sincerely.

Stuart Hampson

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Private Secretary

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