

Sport

T 05191

PRIME MINISTERCharter Flights for the Olympic Games

BACKGROUND

You agreed to the Secretary of State for Trade's request that OD consider this problem at the end of today's meeting. Aeroflot have asked to put on ~~80~~¹⁸ extra charter flights to take spectators to the Moscow Olympics. You have commented (as did the Minister of State for Foreign and Commonwealth Affairs) that to allow these flights would be inconsistent with the Government's policy on the Olympics. The Trade Secretary has written to you today to explain his doubts whether the Government have powers to refuse these flights, to suggest that, even if the powers are adequate, the Government may need to contemplate making ex gratia payments to those passengers who forfeit their deposits, and that the Whips are anxious about parliamentary reactions to a refusal to allow the flights.

HANDLING

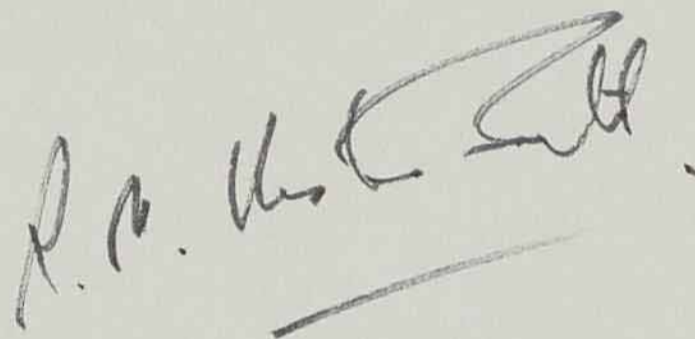
2. You will wish the Secretary of State for Trade to present his case. You might then invite the comments of the Foreign and Commonwealth Secretary on the international implications in relation both to the Soviet Union and to those countries who are boycotting the Moscow Olympics, in particular the United States. You might then seek to establish in discussion the answers to the following questions:-

- a. Commercial implications of refusing the flights? Did British Airways decide not to put on flights purely for their own reasons or because they believed Aeroflot would not be allowed to take the business? What about the forthcoming air service negotiations with the Soviet Union?
- b. Attorney General's views on the legal question?
- c. What does the Chief Whip (who has been invited for this item) think? Would willingness to make ex gratia payments make a difference to the parliamentary reaction?

d. Would a decision to allow the flights in fact be regarded as inconsistent with the Government's policy? (When OD considered the possibility of flights by British Airways (OD(80) 5th Meeting, Minute 2), they decided to discourage BA from advertising services for the Moscow Olympics, while recognising that the company could not be prevented from organising such flights as they wished. Should the Russians now be allowed this extra business?

CONCLUSION

3. Subject to points made in discussion, you may wish to lead the Committee to agree that the flights should be allowed to go ahead, provided that British Airways are given an opportunity to reconsider their own earlier decision. The practical arguments point this way. But politically you may feel that the Government's policy demands that these flights should be refused.



Cabinet Office
2 July 1980

R M HASTIE-SMITH