

THE WHITE HOUSE
WASHINGTON

March 20, 1980

MEMORANDUM

FROM: LLOYD CUTLER
SUBJECT: OLYMPICS

23 HAS BEEN

On March 17-19, I attended a 12-nation meeting on planning for what we have called "alternative games," and now describe as a post-Olympics international sports festival. I also met privately in Geneva with Madame Berlioux, the Executive Director of the IOC, with Mr. Keller, the head of the Federation of International Sports Federations, with Douglas Hurd, U. K. Minister of State in the Foreign Office, and in London with Sir Dennis Follows, the Chairman of the British Olympic Committee.

The present status of our efforts is this:

I. The Boycott Itself.

a) At the moment when the Germans and French* appear to be preparing to join the boycott, we are in serious danger of losing the British.

b) According to the Chairman of the British Olympic Committee, the Committee will decide next Tuesday, March 25, to accept the invitation to Moscow. Sir Dennis is a living Colonel Blimp, whose only other international experience has been 12 years as Secretary of the British Airline Pilots Association. He is a pure Olympian who puts aside all responsibilities as a citizen of the West in favor of sports as the last hope of world peace. His views of Mrs. Thatcher and the President are visibly apoplectic, although wholly confined to how much harm they have done to sports.

c) The only chances of deterring the BOC are for Lord Carrington and the other West European Olympic Committees to persuade him to wait until the others make their decisions in May. Carrington will ask Sir Dennis to come in Friday,

* - The French "background" spokesman who said Monday it now appeared "most unlikely" a French team would go to Moscow was Francois Poncet.

and he will meet Saturday in Brussels with the other West European NOCs (with Miller of the USOC invited as observer). Based on our meeting Wednesday, the chances of dissuading the BOC are slight.

d) The BOC has four reasons for deciding now - the effect of continuing uncertainty on the preparations of the athletes, contract liabilities to 10-15 firms who have paid for merchandizing rights (e.g., Revlon has the right to call itself the 1980 Olympic lipstick), the anxieties and potential losses of 5000 fans who have purchased Moscow tour packages, and the need to raise an additional £ 400,000 to finance the BOC's Moscow expenses. He admits that the other European NOC's have similar problems, but says he will only listen to their desire to defer their decisions if it is not motivated by governments. He is utterly unimpressed by the importance of Western unity; indeed, it strikes him as an improper "political" argument. He says he is perfectly willing to have the British team be the only Western team in Moscow, because this would show the BOC followed the Olympic principles while the other NOCs bowed to their governments.

e) The British Government realizes if the BOC decides next week to go to Moscow, the effect on the Government's prestige at home and abroad will be disastrous. Even worse, the other West European Governments and NOCs may say that this makes an effective boycott impossible, and make this an excuse for going to Moscow themselves. On the other hand, the German and French Governments may take a certain satisfaction in showing that, by making haste slowly, they will bring their own NOCs along to join the boycott while Mrs. Thatcher's imperious tactics failed.

f) As for the rest of Western Europe - and in the minds of the British public as well - there is still lingering doubt that in the end the U. S. will allow its team to go. While this doubt is to some extent wishful thinking, it is widely offered as a justification for the delay which the Europeans find more convenient in any event. We have taken many steps to make clear that the President's decision is final and that the USOC is committed to accept it, but we need to take more.

g) Among the skeptics are Madame Berlioux and Mr. Keller, who rule the IOC and the international federations. Madame Berlioux asked me if "now that President Carter is going to be reelected," he no longer has political need for continuing the boycott. She also noted that from her discussions with NBC, they still show every sign of expecting a U. S. team

to be in Moscow and to cover the Olympics. If the IOC receives \$3 million from NBC on April 1, she will be even more convinced.

g) Despite these doubts, Madame Berlioux and Mr. Keller do recognize the substantial risk that most of the West European governments and NOCs will join the boycott. To counteract such a development, they are preparing to change the IOC rules to allow individual athletes to attend the Moscow games even if their NOCs do not accept their invitations. The initiative for this ploy comes from Mr. Keller. The question will be discussed at an IOC-International Federation meeting in Geneva on April 21-22, and a decision will be taken at that time. While such a move would result in a number of important individual defections, it is unlikely to counteract the basic political effect of a widespread boycott.

h) In summary, the prospects for the political success of the boycott remain good, provided the impending British defection can be deferred or contained, and provided we take every step available to dispel the lingering doubt about whether a U. S. team will go to Moscow after all.

II. The Post-Olympics International Sports Festival

a) As the attached reporting cables and press reports indicate, good progress was made at the Geneva meetings. David Wolper's presence helped to show the professional competence of our efforts and the potentials for financial and technical success.

b) All the same, there remain a number of serious problems, some of which could prove insuperable unless we exercise all the authority, as well as the persuasion, within our command.

c) Foremost is the persisting opposition of the international federations. They regard government efforts to arrange or even to encourage the proposed international festival as an unwarranted intrusion on their exclusive preserve, and as a threat to the IOC as well, with which they have now achieved a harmonious as well as remunerative relationship (mostly out of our television payments).

d) The most the international federations will consider - and this is only true of some of them (fortunately the most important, such as track and swimming) - is to enlarge on a previously scheduled post-Olympic event or perhaps fit some new one into the existing schedule. But they will do even this only under great pressure, and only after it is clear that most of Western Europe has joined the boycott.

e) The federations are entrenched, ably led, Soviet-infiltrated and totally unsympathetic to the boycott. The pressure on them must include both carrots and sticks. The only carrots we have are their interest in providing opportunities for the athletes who do not go to Moscow and an ample share of the expected television revenues. Their interest in helping the athletes is not very high, compared to their interest in protecting their own turf and the IOCs, although they may be responsive to their national federations. Their appetite for television revenues has been somewhat jaded by their large receipts from the Moscow revenues and by a Los Angeles 1984 prepayment of \$20 million to the IOC, in which they have a 33% share. We have only two potential sticks. One is to acquire and, as needed, invoke the legal authority to interrupt the relationships between the international federations on the one hand and the national federations and U. S. television networks on the other. The other potential stick is to attack the joint use of the sanctioning power by all the federations and the IOC as a violation of the U. S. antitrust laws as it applies to games held in the U. S., U. S. athletes, and U. S. television rights. Of these two courses, the former involves fewer problems and would probably be more effective.

f) The other serious problem affecting the international festival is that Western European governments we need for the success of the boycott - e.g., West Germany - may conclude that a boycott without an international festival presents fewer problems with their sports organizations than a boycott plus an international festival. If such objections are raised, we may need to take them into account. The boycott and the international festival are now linked in the minds of many European sports organizations as twin evils - one as bad as the other. Fortunately, our own USOC and national sports federations appear to favor the festival if the U. S. does not go to Moscow, and we will have to rely on them to persuade the other national and international bodies.

III. The Calendar Ahead

There is much to be done in the weeks ahead, as indicated by the following calendar:

March 20 through April 15 -

12-nation working party proceeds with plans for international festival.

March 20-21

U. S. should decide on invoking IEEPA to enforce various economic and cultural exchange responses to Soviet actions, including ban on further NBC payments for Moscow telecasts.

March 21 - President receives U. S. Olympic candidates

21 - West European Sports Ministers meet in Strasbourg

22 - West Europe NOCs and USOC meet in Brussels

22 - Latin American Sports Ministers meet in Mexico City

24 - 29 - IOC and International Federation officials meet Soviet officials in Moscow on organization of Summer Olympics

25 - BOC meets to decide its position

29 - 30 - USOC meets with NGB's in Colorado Springs

April 1 - Keller in Los Angeles to meet Wolper and other LA Olympic officials

12 - USOC General Assembly meets to adopt resolution to accept President's decision on sending team to Moscow

21 - 22 - IOC and International Federations meet in Geneva