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The Director
Central Intelligence Agency

4D



Washington, D. C. 20505

9 January 1980

MEMORANDUM FOR: The President ✓
The Vice President
Secretary of State
Secretary of Defense
Assistant to the Secretary for
National Security Affairs

APPROVED FOR RELEASE

SUBJECT : USSR: Olympic Games Preparations (U)

2 SEP 1997

1. The attached assessment, USSR: Olympic Games Preparations, may be of interest to you in light of a possible Olympic boycott. CIA analysts believe that inside the USSR a boycott's heartening effects on some Westernizing dissidents would be offset by reinforcement of wide-spread tendencies to xenophobia. Internationally, a boycott would keep the Afghan issue alive and force the Soviets to face a continued barrage of criticism from some sections of the international community. However, the Soviets would also be able to play the role of an aggrieved party before a partially sympathetic international audience and to utilize international disagreements over the boycott to exacerbate tensions between the U.S. and non-boycotting (or reluctantly boycotting) states, probably including some close U.S. allies. ~~(S)~~

2. As for the economic loss from a boycott, we believe it would be small. In the main, losses would be confined to a reduction in hard currency revenues from tourism and broadcast rights. The Soviets expect hard currency revenues of an estimated \$250 million. Most of this income (perhaps at least two-thirds) is in hand, however, and the Soviets, in the event of boycott, would balk at refunding cash already received. All but \$5 million of the \$74 million paid for U.S. broadcast rights, for example, has been paid. (NBC's contract with the USSR includes a "force majeure" article which might apply, however. In any event, NBC reportedly is covered by a political risk insurance policy with Lloyds of London.) Foreign tourists wishing to attend the games (at least Americans) were required to prepay Olympic package tours by the end of 1979. Barring an outright cancellation of the games, Moscow would argue that foreign tourists were welcome regardless of individual country participation. ~~(S)~~

STANSFIELD TURNER

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