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Mr. Evans
Mr. Adams.
Mr. Squire.
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FM FREETOWN 111305Z OCT 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 194 OF 22 OCTOBER

AND TO IMMEDIATE DOT (FOR WAKELING IAT)

BY TELNO 100 : AIR SERVICES AGREEMENT

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T.199A/82**

PRESIDENT STEVENS SUMMONED ME THIS AFTERNOON TO COLLECT HIS
REPLY TO PRIME MINISTER'S MESSAGE. COMMENT IN MIFT.
TEXT OF MESSAGE AS FOLLOWS (OMITTING CONCLUDING COMPLIMENTS)

1. THANK YOU FOR YOUR REPLY TO MY LETTER DATED 10TH OCTOBER, 1982, RELATING TO THE ISSUE OF LANDING RIGHTS TO THE SIERRA LEONE AIRLINES.
2. I HAVE NOTED THE FORMULA PROPOSED BY THE VISITING TEAM FROM THE UNITED KINGDOMS FOR THE REPATRIATION OF THE PROFITS DUE BRITISH CELEDONIAN. AS OUTLINED IN MY LETTER UNDER REFERENCE, BECAUSE OF SIERRA LEONE'S CURRENT ECONOMIC DIFFICULTIES, THE GOVERNMENT FINDS IT DIFFICULT TO COMMIT ITSELF TO ANY PROPOSED FORMULA SINCE THE AVAILABILITY OF FOREIGN EXCHANGE IS DEPENDANT ON MANY AND VARIED UNPREDICTABLE FACTORS.
3. IT IS TRUE TO SAY THAT SINCE OUR TWO GOVERNMENTS ENTERED INTO THE AIR SERVICES AGREEMENT IN 1962, THE MATTER OF THE TRANSFER OF THE PROFITS DUE TO YOUR DESIGNATED AIRLINE HAS NEVER PRESENTED A PROBLEM. THIS IS SO BECAUSE WHEN THE ECONOMY OF SIERRA LEONE REMAINED BUOYANT THE TRANSFER OF PROFITS

OF SIERRA LEONE REMAINED BUOYANT THE TRANSFER OF PROFITS
REMAINED ESSENTIALLY A MATTER BETWEEN BRITISH CALEDONIAN
AIRWAYS AND THE BANK OF SIERRA LEONE.

4. PERHAPS IT MAY BE NECESSARY TO REITERATE MY GOVERNMENT'S
VIEW OF 'THE RIGHTS OF FREE TRANSFER' OF THE PROFITS OF BRITISH
CALEDONIAN AIRWAYS. MY GOVERNMENT HOLDS THE VIEW THAT THE ONLY
OBLIGATION IMPOSED ON EITHER SIDE UNDER THE AGREEMENT IS TO
GRANT PERMISSION FOR SUCH TRANSFER, AT THE OFFICIAL RATE OF
EXCHANGE. THE AGREEMENT DOES NOT IMPOSE AN OBLIGATION ON EITHER
SIDE TO PROVIDE FOREIGN EXCHANGE TO FACILITATE SUCH TRANSFER.
OVER THE LAST EIGHTEEN YEARS OR SO, THE BANK OF SIERRA LEONE
HAS ALWAYS CO-OPERATED WITH BRITISH CALEDONIAN AIRWAYS OVER THIS
MATTER. THE ACCUMULATION OF PROFITS DUE TO BRITISH CALEDONIAN
AIRWAYS HAS ONLY BEEN BROUGHT ABOUT BY THE CURRENT FINANCIAL
DIFFICULTIES WHICH SIERRA LEONE, LIKE ALL OTHER COUNTRIES, IS
EXPERIENCING.

5. I MAY POINT OUT THAT SINCE THIS IS THE FIRST TIME THAT MY
GOVERNMENT HAS ATTEMPTED TO EXERCISE HER RIGHTS UNDER THE
AGREEMENT IT WOULD BE SAD IF THE UNITED KINGDOM AUTHORITIES
WERE TO DO ANYTHING TO FRUSTRATE IT. IT HAS NEVER BEEN THE
UNDERSTANDING OF THE SIERRA LEONE GOVERNMENT THAT THE GRANTING
OF LANDING RIGHTS TO EITHER PARTY IS CONTINGENT UPON THE
FULFILMENT OF ANY OBLIGATION UNDER THE AGREEMENT.

6. IT IS A MATTER OF NATIONAL PRIDE THAT THE SIERRA LEONE
AIRLINES SHOULD START TO OPERATE WITHOUT FURTHER DELAY. THE
COMMENCEMENT OF ITS OPERATION HAS ALREADY BEEN HELD UP DUE
TO THE DELAY IN GRANTING LANDING RIGHTS BY THE UNITED KINGDOM
AUTHORITIES. THE NEXT SCHEDULED DATE OF COMMENCEMENT IS
1ST NOVEMBER 1982 AND MAY I, (9:3 - 0-3), IMPLOR YOU TO USE
YOUR GOOD OFFICES TO ENSURE THAT THESE RIGHTS ARE GRANTED
TO THE SIERRA LEONE AIRLINES BEFORE THAT DATE.

7. IT IS MY EARNEST HOPE THAT THIS MATTER WILL BE CONSIDERED
AMICABLY IN THE INTEREST OF THE VERY CLOSE AND CORDIAL
RELATIONSHIP EXISTING BETWEEN OUR TWO COUNTRIES.