ABSTRACT

WOFFORD III, DREWRY FRYE. A Special Relationship in the Air: The Role of Civil Air Transportation in Foreign Relations Between the United States and Great Britain. (Under the direction of Dr. Nancy Mitchell.)

In 1977 James Earl Carter assumed the presidency of the United States. Within a month of his inauguration, two significant events in foreign policy arose in the aegis of civil aviation. Carter likely never expected to become embroiled in negotiations over air rights and air access this early in his administration, but he would not be alone. The importance and impact of civil aviation on foreign policy and diplomatic affairs is often overlooked and under valued. This paper takes two cases studies, the negotiations between the United States and Great Britain over the Bermuda II agreement and the tri-lateral negotiations over Concorde landing rights in New York City, as examples of how civil aviation matters, how it involves the Heads of State of each country, how it effects the relationships between countries and how it often entails the merging of domestic agendas with international affairs.

The negotiations over Bermuda II concerned the mutual exchange of air services between the United States and Great Britain, including the most profitable North Atlantic route for air carriers, services connecting New York and London. It immediately involved both President Carter and British Prime Minister James Callaghan, signaling its importance to both countries, both politically and commercially. And it demonstrates the nuanced posturing between the two countries in light of the “special relationship;” neither side was willing to put the larger relationship between the two countries at risk.

Gaining permission for Concorde to land in New York transcended federal jurisdiction; it demonstrates the impact of local concerns on international relationships, and
could ultimately only be resolved by the United States Supreme Court. It involved President Carter and Prime Minister Callaghan, as well as French President Valéry Giscard d’Estaing. It demonstrates the interplay between perception, prestige and national pride. France displayed a vitriolic indignation at New York’s refusal to let Concorde land there; Great Britain waivered between support of its Gallic partner in the venture and minimizing any negative effect on the “special relationship;” and the United States maintained its posture that the federal government had no right to intercede in local concerns.

This paper concludes that civil aviation and its role in the affairs between nations are overlooked, under-studied, and rarely written about. It looks to fill that void, through research conducted at both archives in the United States and the British National Archives in London. It demonstrates that flight between nations is more than just moving people; it entails important diplomatic, political and commercial concerns; and that countries place a significant portion of their pride and prestige on how their airlines are perceived and treated globally.
A Special Relationship in the Air: The Role of Civil Air Transportation in Foreign Relations Between the United States and Great Britain

by
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DEDICATION

This thesis is dedicated to my mother, Dr. Judith M. Wofford, who having completed her Doctoral work later in life, serves to this day as inspiration for me to do the same.

To my father, Drewry F. Wofford Jr. who served as a B-17 pilot during World War Two and who, at an early age, instilled in me a life long love, passion and fascination with civil aviation.
BIOGRAPHY

Drewry Wofford has had life long interests in commercial aviation and history; having initially completed an undergraduate degree in Comparative Literature and a Masters in English Literature, he decided to compliment his work in literature with a second Masters in History, which he is now completing at North Carolina State University. His Masters thesis explores the bi-lateral negotiations between the United States and Great Britain over the 1977 Bermuda II Air Agreement, and the tri-lateral negotiations between the United States, Great Britain and France over Concorde. He has presented conference papers at Texas A&M, Temple, NC State, UNC-Charlotte and the London Symposium. He has worked as a Teaching Assistant at NC State while completing his MA. In fall 2012 he joined the faculty at Saint Augustine's University in Raleigh, NC as a part-time adjunct professor teaching American History. Prior to embarking on a second career in academic study and teaching, he spent over thirty years in the private sector, working in numerous technical and customer facing positions within the Information Technology field. His first published work will be Lesser Civil Wars: Civilians Defining War and the Memory of War, (Cambridge Scholars Publishing, 2013); his paper for the 2012 London Symposium will be included in the electronically published conference proceedings, available in 2013. He plans on entering a PhD program in the fall of 2013.
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CHAPTER ONE: EXPOSITION – SETTING THE DOMINANT THEMES

That Wilbur Wright is in possession of a power which controls the fate of nations is beyond dispute.

Maj. B. F. S. Baden-Powell, President of the Aeronautical Society of Great Britain, 6 October 1908

Mass travel by air may prove to be more significant to world destiny than the atom bomb.

Juan Trippe, Pan Am President, speech at IATA conference 1955

On a typical June day in New York, a small girl stood on a dock in Port Washington, New York, dressed in her Sunday best, despite the fact that it was a Thursday. Gazing at the Atlantic Ocean, listening to the waves lapping against the wooden pier, she turned to her mother, who was about to climb the boarding ramp and somewhat wistfully cried, “Write me a letter,” as so many children have implored a departing parent. The mother turned, her hair buffeted by the sea breezes, and replied, “I’ll be back before the letter.”

On a day when headlines rang with the news that Nazis were pouring into Danzig, 28 June 1939 was notable for an event that would transform global commerce much as the Nazis were about to transform the map of Europe. Despite the fact that the mother and daughter were saying goodbyes at a dock, the woman was one among twenty-two others who were boarding Pan American World Airways Dixie Clipper, on the world’s first scheduled passenger transatlantic air flight. For the pioneering airline, it was an event the company tried to portray as “routine,” just one more “first” for the airline that already flew across the Pacific and

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1 Diplomatic history is rarely, if ever, black and white. Far more often it entails subtle shades of grey, and occasional splashes of color. In organizing this paper, it occurred to me that using the symphonic sonata-rondo form provided a form to organize the narrative. Chapter One is the exposition, where I present the background and context that the reader needs to understand the two primary case studies. In classic symphonic form, the exposition states the themes and prepares the listener for the material soon to come.

throughout Latin America with scheduled services. But for the people watching and boarding, “A feeling of amazement, even awe, was noticeable.” The town had declared a half-day holiday; police escorts accompanied the coaches carrying passengers from New York City; and a twice-National Champion marching band provided background music. The world was about to get smaller; distances were about to get less daunting; and diplomats on both sides of the Atlantic were soon to reflect on what it meant to allow another nation’s airline and aircraft to cross sovereign borders.

Rarely do the nuanced interactions of foreign policy decisions make headlines. While the final results of a year of diplomatic negotiations may reach the public, the intricate details of the process rarely do. To read, write and understand diplomatic history, and the interactions between nations, one needs to understand the process, the ebb and flow of negotiations, and the use of bargaining chips to fuel the final result. Looking at such a process at the macro level is the norm for political science, but looking at it from the micro level, and broadening that discussion to the larger view – as a historian, provides insight and context. This thesis is a case study in the way nations form their foreign policy agendas, and of how they use bargaining chips to further the process. It asserts that foreign policy is developed more often through subtle inflections than bold brush strokes. It further asserts that there are influences upon the development of policy that have been largely ignored by scholars, specifically how nations use commercial air transport as an adjunct to their foreign policy agendas. Finally it looks at how the regulation of civil aviation is both a bargaining chip as well as a desired result, and how foreign policy, economic policy and domestic

\[3\text{Ibid.}\]
agendas can collide when what many consider a largely commercial matter, such as civil aviation, intrudes into policymaking. Often the relationship between a government and its national flag carrier[^4] is complex; often the national flag carrier fulfills a role as surrogate for the government itself, for it is able to go where no diplomat can yet tread. For example, the United States has no diplomatic relations with Cuba, yet US airliners regularly ravel there on a non-scheduled basis. Commercial aviation matters in foreign policy to a degree rarely acknowledged and seldom studied; and that through an examination of how air transportation is entwined in foreign affairs we can better understand the relations between nations and intersection of foreign, domestic and political agendas.

In January 1977, Jimmy Carter assumed the presidency of the United States, and within thirty days not one, but two, global air transportation issues landed on his desk – both “tossed over the wall” from the previous administration. These two negotiations would require immediate and personal attention, and would quickly reinforce for Carter that commercial aviation mattered as an element of both foreign relations and diplomatic negotiations; that it was important, and that other nations took it seriously. When international airliners crossed borders they entered the realm of foreign affairs. Support of commercial aviation affected not only the economics, but national prestige, pride of ownership and global security. By looking at two issues – the Bermuda II bilateral agreement between the United States and Great Britain that controlled all commercial flight operations

[^4]: **Flag Carrier**: With few exceptions, every airline “flies” the flag of its resident country by painting it on the side of its aircrafts. This is one way that the national flag is flown around the world. In the United States, for example, American Airlines, United Airlines and Southwest are all flag carriers; the flag of the United States is clearly painted on the side of each plane.
between the two countries, and the tri-lateral negotiations between the United States, Great Britain and France over landing rights for the Anglo-French Concorde – we begin to develop a picture of how important commercial aviation is as a piece of foreign policy; what the process of negotiations looks like – subtle rather than brash; and how bargaining chips take on a life of their own. We also see that niche issues, far from the mainstream of world affairs, can take on an unexpected degree of importance.

The trials, tribulations and demise of Concorde were a high-profile story, but Bermuda II was a more nuanced affair. Immediately following the Second World War, the United States and Great Britain signed a treaty establishing a rigid framework for the exchange of commercial air services between the two countries. That treaty, referred to as Bermuda I, would remain in effect until one of the two parties decided to let it lapse and gave the other part one year’s notice. In June 1976, Great Britain informed the United States that it intended to let the original agreement lapse and wanted to commence negotiations for what it considered a more equitable treaty. The Ford administration punted the issue, and Jimmy Carter inherited it. The diplomatic efforts by both countries to negotiate Bermuda II constitute one of the two case studies in this thesis. Bermuda II was important for two reasons. First, the routes between the United States and England are the most heavily travelled and most profitable of all North Atlantic air travel. Second, the United States and Great Britain have enjoyed a “special relationship” in the post World War II years and negotiating this treaty tested this relationship. The successful conclusion of Bermuda II was of great importance to both countries.
By analyzing these two global air transportation negotiations – Concorde and Bermuda II – we can look on the micro level at how nations make deals; how they try to balance domestic and foreign agendas; how they use bargaining chips to arrive at the end goal. We also see how small things become large headaches. Landing rights for Concorde were blown out of all proportion; the French claimed that they presaged the fall of its government, the rise of Eurocommunism, and rising unemployment and economic decline in Europe. It was, after all, just a plane. Concorde was fiercely important to enhancing French prestige and protecting the political status quo in Paris. For the British, however, it was a bargaining chip to be used in the ratification of Bermuda II. Concorde reminded all three parties that commercial aviation mattered on a global scale. While France was positing that failure to give Concorde landing rights in New York could affect the political and ideological composition of its government, the sanctity of bilateral agreements between nations, and commercial relations of all sorts between two nations, the United States argued that granting those landing rights conflicted with domestic agenda as a matter of policy as well as an environmental concern. The US charged deceit; the French charged foul play; the British looked at Concorde as a card to further its own economic interests. Allies exchanged ill will; friends exchanged icy stares; politicians took to the streets. And in the end, the dispute over landing rights was settled amicably, and diplomats and politicians went off to fight another day. That is how foreign policy disputes and negotiations often play out.

Air transportation occupies a unique place as an adjunct of foreign policy. Rail transportation is largely relegated to domestic uses, particularly in the United States, as is
motor transport; sea transportation deals mostly with freight, has little relevance to the transportation of people, and rarely crosses national borders into interior spaces; but air transportation by definition overflies sovereign territories, crosses borders and links interior cities. Air travel provides a gateway and vehicle for moving people between nations; for enhancing the stature and prestige of a country and the mobility of its citizens; and for providing economic advantage to those countries with a strong civil aviation industry. Erwin von den Steinen, author and former director of the Dutch Aviation Policy and Programs notes, “relationships such as international aviation can create bridges of understanding and mutual respect that can make the world a safer place.”

Because of the trans-border aspect of international air travel, it quickly becomes a matter not only of economic development, tourism dollars, and corporate competition, but it becomes a matter of national security as well. When a foreign aircraft enters the air space of another country, that aircraft has access to a significant amount of intelligence through aerial surveillance. Prior to the deployment of satellites, airplanes were the sole means of aerial surveillance. World War One introduced the airplane for the purpose of both bombardment as well as intelligence gathering. Major Baden Baden-Powell, President of the Aeronautical Society of Great Britain from 1902 to 1909, suggested as early as 1909, “That Wilbur Wright

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5 Ibid, 29, 7.
6 In the 1970’s and 1980’s, there was considerable concern over the arrival of Soviet built aircraft in Western Europe. Soviet aircraft types such as the TU-134 and TU-154 had a glass nosepiece, reminiscent of WW II bombers, that many feared contained camera and recording equipment. It was often thought that one aspect of any Aeroflot arrival in Western Europe was to film all territories around the airfields during landing and takeoff. The United States expressed similar concerns in 1929 and 1930 over German incursions over the Panama Canal.
is in possession of a power which controls the fate of nations is beyond dispute;”\(^7\) But even after the rapid increase in satellites, they remained a constant threat. A satellite orbits 200 miles above the earth; a commercial airliner flies only six or seven miles above land and is often within just a few thousand feet of sensitive areas, allowing for significantly more detailed pictures. Finally, a foreign satellite is always suspected of potential espionage, while a commercial airliner, thanks to its routine and repetitive appearances, often passes unnoticed. Consequently, nations cautiously guard access to internal ports, balancing the interests of their own air carriers, economic development and security concerns with the right of access to others. The US Department of Defense today monitors all air traffic, both commercial and military, and has stepped up surveillance in the wake of the events of 9/11.

A White House document, issued in 1978, does an excellent job of synthesizing the intersection of air transportation, foreign policy and the President. “The award of an international route could never be entirely free of foreign policy and defense considerations,” adding that the President’s foreign policy discretion includes such issues as “balance of payments and competitive opportunity and the encouragement of trade and other international economic policy considerations.”\(^8\) While the domestic airline industry was managed through the Civil Aviation Board in the 1970s, no longer so today, international air transport was, and remains, largely in the President’s jurisdiction.

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\(^8\) Untitled Document, “CA 5 1/1/80 – 1/31/80” folder, Box CA-4, WHCF-Subject File, Jimmy Carter Library.
It is impossible to fully understand what transpired in the bilateral Bermuda II and tri-lateral Concorde negotiations without understanding the larger context of the relationships between the three countries that were involved: the United States, Great Britain, and France. Before diving into the icy waters of trans-Atlantic aviation negotiations, we need to establish the state of diplomatic relations in 1977 between the United States and Great Britain (the Special Relationship) and between the United States and France (the not so special relationship).

One could trace back the “special relation” between the current United States and Great Britain to the colonial pre-Revolutionary War days, but the term itself had its genesis in World War II and the years immediately following, and characterized a cooperation and common worldview between the two nations that had extended for almost thirty years by the time Carter took office in 1977. John Baylis, in his book *Anglo-American Relations Since 1939*, characterizes this relationship as:

A partnership was developed between the two countries, which became so close, intimate and informal in such a wide spectrum of political, economic and especially military fields that the term ‘special’ can really be applied. It was during this period [World War II] that the two countries became so intertwined that traditional state sovereignty was eroded and a common Anglo-Saxon identity and purpose developed in their joint war efforts against the axis powers.  

The common identity to which Baylis refers to would become a significant problem for the British, and was part of the turbulence that buffeted the special relationship. By 1977, a united Western Europe was a rising economic and diplomatic entity in its own right, and the U.K. stood on the outside looking in. France and West Germany were leading this emerging

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nationalism; the European Union was flexing its collective power over trade and security; Great Britain, having forged this relationship with the United States, was seen by many Europeans as a client of the United States, more American than European.

At the heart of the special relationship was Bretton Woods, the post World War II economic policy that created a financial world order largely based upon the US dollar and the British pound sterling. While war-torn Europe was attempting to recover from the physical devastation of six years of fighting, it had little time to worry about many of the formal aspects of Bretton Woods; in fact, it welcomed the stability the regime provided. But as Europe recovered, and the economies of other European nations strengthened, there was growing resentment against Bretton Woods, particularly in France. Many European nations believed that the Bretton Woods economic system placed Europe in a subservient position to the United States, and by extension, to Great Britain. By 1957, with the establishment of the European Economic Community (EEC), Europe was exerting its own emerging identity as a common market and economic force that no longer wanted Bretton Woods. But as long as the pound sterling and the US dollar remained the currencies against which all other were valued, the United States and Great Britain retained a degree of economic hegemony that many Europeans felt was an anachronism.10

Throughout the 1960’s and 1970’s, England was under severe economic pressure. Its economy was suffering from its diminished empire, the costs of its social welfare system, and its shrinking world markets. As a result, there was growing pressure to devalue the pound sterling, a move that would undermine Bretton Woods. The United States tried everything it

10 Baylis, p. 175-176.
could to stall such a move, providing Great Britain with loans and programs designed to prop up the pound sterling.

At the same time, Great Britain saw its future no longer exclusively across an ocean, but across the Channel as well. The British were looking to become more “European” and perceived as less “American,” something of an historical irony in itself. Great Britain was not part of the original European Union, a political and trading bloc that created new markets and new freedom from US influence, but as Britons’ economic woes heightened, they looked for relief by joining the organization. They believed this would open up profitable new markets for Britain’s products and help forge a new European affiliation. French President Charles De Gaulle, however, was suspicious. He believed that as long as the British remained closely aligned with the Americans, they could not be trusted, and he vetoed their application for entry into the Union twice, first in 1963 and then in 1967\(^\text{11}\). Ironically, or perhaps proving De Gaulle prescient, the Americans were very supportive of Britain’s entry into the Union. Successive US administrations beginning with Johnson and proceeding into the 1970’s felt that London could be a moderating influence in Europe, one that could represent US interests and serve as a US surrogate. De Gaulle sensed this, and kept the British out. One reason that the British had entered into a technical partnership in late 1962 with France to build the Concorde Supersonic transport was to win De Gaulle’s support. Further, the British watched as the United States turned to Asia for new markets. The British saw US opening of ties to

China in the 1970s as a sign that the United States was turning its back on Europe, and it fueled British desire to reinvigorate its relationship with Europe.\textsuperscript{12}

As British interests turned away from the special relationship, so too were American interests changing. In US eyes, the British had made three tactical errors that eroded the special relationship. First, in 1956 Britain withdrew from the Suez Canal despite US pleas for them to remain; second in 1965 when it failed to commit troops in support of the US war in Vietnam; and finally in 1967 Britain devalued the Pound, effectively ending the Bretton Woods system. Abandoning Suez and devaluing the Pound were economic decisions made in an attempt to bolster a failing economy. Financial concerns and economic policy were also, as we will see, the drivers behind the Bermuda II negotiations. As Deep Throat advised the journalists following Watergate, “follow the money.” Certainly it is one way to trace the weakening of the special relationship.

Carter entered office during a period of relative calm in US-UK relations, and the Carter presidency did much to restore some of the relationship’s lost luster. Economic motives remained in the forefront of British policy. In business and political life, much of what gets accomplished is facilitated by personal relations, and by all accounts, US President Carter and British Prime Minister James Callaghan got along well. British historian Alan Dobson notes that Carter and Callaghan worked well together, including cooperation over dealing with Rhodesia, agreement on England’s role in aiding the transition of Portugal towards democracy, and in their joint dealings with the Soviets. Callaghan served as a buffer

\textsuperscript{12} Alan Dobson, \textit{Anglo-American Relations in the Twentieth Century} (London: Routledge, 1995), 138.
between Carter and those leaders who viewed his presidency with skepticism, particularly West German Chancellor Helmut Schmidt.

In his memoirs, Callaghan refers to Carter as “earnest, straightforward and without artifice, wishing to improve America’s moral standing in the world” and “a man with a well stocked mind and disciplined approach.” At the same time, Callaghan also identified one aspect of Carter’s character that led to problems with his presidency; “He had a manifest dislike of horse-trading, and was not ready enough to use tactical skill to overcome the vested interests and powerful Washington lobbies which challenged him. This was a real impediment to getting his programmes through Congress, to whom horse-trading is the way to do business.” Dobson writes that Carter and Callaghan spoke often and informally on the phone, and Callaghan provides one example of such a conversation. During Carter’s intense focus on establishing peace in the Middle East, “Carter said jocularly that he and I should strike a bargain. If I would make myself responsible for [Prime Minister of Israel Menachem] Begin, he would make himself responsible for [President of Egypt Anwar] Sadat. I told him he would have the easier task.”

In the diary Carter wrote while in the White House, he echoes similar sentiments regarding Callaghan. An entry written on 4 January 1979 confirms, “My easiest and friendliest relationship is with Callaghan.” In a lighter vein, which highlights the more intimate relationship between Callaghan and Carter, towards the end of Guadeloupe

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13 James Callaghan, *Time and Chance* (Glasgow: Collins / Fontana, 1987), 482.
14 Ibid, 482.
15 Ibid, 488.
Conference of 1979, Carter reports, “At our last luncheon together, with topless women bathers walking on the beach below us, Jim [Callaghan] complained strenuously that his back was turned to the beach.” 17 It is against this backdrop of mutual respect, close personal contact, and often a shared sense of purpose, that the two leaders interjected themselves in the Concorde and Bermuda II affairs, helping steer the negotiations towards compromise and resolution.

One could be excused for thinking that the United States and France should have an even more special relationship, since it was the French who came to the aid of revolutionary Americans as they fought for independence from the British crown. But that was not the case. In many ways, the two World Wars proved to be watersheds in US – French relations, with the French displaying an increasingly independent attitude after World War II that baffled many Americans. Perhaps nothing helped improve relations between the two countries more than the departure of De Gaulle in 1974 and the more moderate Valéry Giscard D’Estaing taking his place. Yet three years later, when Jimmy Carter entered office, US relations with France were still in need of repair. With a new cast of players in France and the United States, the stage was set for a re-evaluation of US – French relations.

France believed that the future of Europe was best centered on an axis that ran from Paris to Berlin, and worked hard to forge a Special Relationship with West Germany. British Prime Minister Callaghan noted in his memoirs, “Franco-German friendship has become the lynch-pin of the [European] Community … They steadied Europe.” 18 France continued to

see itself exerting profound influence on world affairs, even in the wake of the dismantling of its empire and its waning role in the emerging global economy.¹⁹

In 1976, two years after taking office, French President Giscard D’Estaing published his “manifesto” for leading France into the future. He asked, “Is independence a realistic attitude for a nation not a super power? … The will to remain independent means the right to decide for ourselves, in the last resort, everything we consider essential for the French nation.”²⁰ Giscard was committed to an expansion of the French economy, expansion of French participation in global trade, and expansion in the areas of technology and science. And he remained firmly committed to a strong, united Europe, one that opposed any undue outside interference or unwanted intervention -- by the United States or the Soviet Union. While not advocating non-alignment, he called for a strong, self-sufficient Europe. “Our country considers it essential that the nations of Western Europe, which are much alike in their way of life, civilization and political institutions should unite in a world where super powers are emerging … The completion of economic and monetary union, and the realization of European Confederation – these are France’s inner bastion of solidarity.”²¹ As the United States would see throughout the Concorde negotiations, France would not be easily cowed; France did not accept a subservient role to the US superpower, and it saw its commercial and political interests as no less important than those of the United States.

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²¹ Giscard D’Estaing, p. 140.
France would negotiate only from a position of strength, and refused to be rebuffed by a US president.

France and Great Britain differed in their worldviews and allegiances. While many in Great Britain advocated an Anglo-American view of the world, France took a Euro-centric approach. This led to distrust between the two European nations and to poor decisions, such as the British choice to enter into the joint production of Concorde. But one thing that both France and Great Britain did share was constant economic turmoil, perhaps best encapsulated by the 1968 May Crisis in France and the British currency devaluation in 1976. It is against this backdrop of relentless economic pressure that both the Concorde and Bermuda II case studies are best understood. Both France and Britain were looking for any glimmer of light in the dim economic landscape, and both Concorde and Bermuda II promised some degree of economic relief. And there were other threats to European unity as well; one cannot ignore the ever-present shadow of Eurocommunism.

The nature of communism in Europe changed dramatically between the 1930’s and the 1970’s. The threat of Eurocommunism that Giscard d’Estaing would face in 1977 and that became a sub-text to the Concorde debate was a very different foe from what European governments faced between the two World Wars. One cannot ignore the importance of Eurocommunism as a collective force and potential game changer throughout Western Europe in the 1970s. In France, the Communists and Socialists formed a coalition in 1973. The strength of the political marriage can be seen in the 1974 presidential elections in France. In the first balloting, the coalition candidate, François Mitterrand won 43.3% of the popular
vote, with Valery Giscard d’Estaing garnering only 32.9%. But French election law requires a majority, so a run-off election was held and Giscard d’Estaing scraped together a 50.67% majority to Mitterrand’s 49.33%.\footnote{Leonhard, p. 200.} While the socialist/communist coalition was defeated, it was a victory of such narrow proportions that the specter of another election haunted Giscard d’Estaing throughout his presidency. When the French President wielded the threat of Eurocommunism and the election of a socialist/communist government during the Concorde negotiations with United States, he was not spouting hyperbole; France was perilously close to a popular left wing majority, and to its first socialist/communist government.

Another factor that would come into play in the negotiations that surrounded Concorde was the nascent US environmental movement. In the mid-1960’s, a manufacturing consortium headed by the Boeing Company proposed building an American response to Concorde. The Anglo/French supersonic program was started by the two countries signing a joint development treaty on 29 November 1962. In 1963, US President John F. Kennedy announced his support for a US supersonic transport [SST]; the race was on. Proponents saw the proposed US aircraft, designated as the Boeing B2707, as more economically viable than Concorde, as it would carry a larger payload at a higher speed over longer distances. The Boeing Company was well aware that the development costs of such an endeavor far exceeded the capacity of private industry and enlisted the support of the federal government early on; without federal financing there could be no US SST.\footnote{In 1964, Congress earmarked $100 Million USD for the development of the B2707, and in 1966, Boeing was chosen as the lone manufacturer. (http://www.boeing.com/history/boeing/sst.html Last accessed 10 October 2011).} Meanwhile, the Anglo-
French Concorde had progressed: the first test plane rolled off the production line on 11 December 1967 and completed its first flight on 2 March 1969.24

In September 1969, President Richard Nixon heightened the SST debate when he formally endorsed the US SST and Congress came under pressure from the environmental movement. Friends of the Earth sponsored the publication in early 1970 of a paperback edition of William Shurcliff’s *SST and Sonic Boom Handbook*, and, later in 1970, the Coalition Against the SST was founded, a national coalition that brought together all the local groups and grassroots opposition into a more structured, organized and targeted organization.25

Shurcliff, who had worked on the Manhattan Project, continued to hound government officials, writing hundreds of letters to various administration officials, including the president; he started to get under people’s skin. FAA Administrator John Shaffer responded to Shurcliff in a sarcastic retort:

> If someone were to drive a truck through your office it could damage the furniture. Similarly, if I were to land an airplane on Harvard, it could damage the roof. The truck that will not be driven through your office will not damage your furniture. The airplane that I am not going to land on the University will do no damage. Since the SST is not going to fly over inhabited land at supersonic speeds (Presidential Policy), I suggest that the boom will not be the problem you continuously and monotonously

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25 William Shurcliff was a formidable opponent to the SST program. Shurcliff gained recognition when he started work on the Manhattan Project in 1942, which led to the creation of the Atomic bomb. His opposition to both the SST and Star Wars Anti-ballistic Missile System helped defeat both initiatives. As a member of the Manhattan Project, he witnessed the test detonation of two bombs in the South Pacific, an event that colored the rest of his career. Opposition to the SST and ABM programs was part of his efforts to make Americans aware of the dangers of unbounded technology. According to his son Arthur, “In a sense, the rest of his life was a sort of atonement” for his role in creating Atomic weapons. (William Shurcliff Obituary, *New York Times*, 28 June 2006).
hypothecate. Shaffer’s response set up an argument that would profoundly affect the Concorde negotiations, namely that if the SST flew only over populated areas at subsonic speeds the sonic boom would be a purely hypothetical issue. It was rather like the question of should a tree fall in the forest, and there was no one there to hear it, did it make any noise.

It is hard to say when the grassroots environmental movement started, but certainly Earth Day, 22 April 1970, is a reasonable place to start. Environmental activism can be traced to Teddy Roosevelt’s days, but the 1970 event heralded a focus on the environment, and a broad social participation. J. Brooks Flippen notes that what made Earth Day a “significant event in American history and one worthy of the tremendous attention it received” was that “drawing an estimated twenty million participants and involving over ten thousand schools and two thousand colleges and universities, the first Earth Day and its surprising success represented in many respects the emergence of a powerful new environmentalism.” The nascent environmental movement initially focused on pollution and the destruction of flora and fauna. But the argument broadened as the momentum grew, and quickly the movement took aim at the US supersonic program.

Earth Day placed the national spotlight on the supersonic program. In Minnesota, Democratic Senator Walter Mondale (who would become vice president in the Carter administration) noted that while the government spent only $200 million to feed hungry children in the United States, $290 million had been allocated to the SST program; Senator

26 Horwitch, p. 279.
Adlai Stevenson III (Democrat – Illinois) noted that the SST program was funded with twice as much money as anti-pollution initiatives; and in Boston, there was a funeral possession to Logan Airport and a mass “die-in” to protest the American SST. Earth Day brought prominence to the anti-SST efforts and placed the protests in a national context.

In part due to the elevation of the anti-SST movement to national prominence, congressional hearings in May 1970 raised Congressional awareness of the issues. On 27 May, an amendment to remove SST funding from the fiscal 1971 budget was defeated by only seven votes. It was a narrow victory for SST proponents and one that did not bode well. Montana Senator Mike Mansfield (Democrat) noted that the US SST program was “in deep trouble.”

The national coalition against the SST continued to grow. Groups such as the Federation of American Scientists joined the voices of the Citizens League, Environmental Action, and the Friends of the Earth in opposition to the supersonic program. In September 1970, a group of prominent economists joined the protests, arguing that the plane made no economic sense, that the cost of operating the SST would make fares excessively high and never appeal to a broad enough market to make the plane profitable. This economic argument against the project, in addition to the plane’s harmful effects on the environment – destruction of the ozone layer and excessive noise pollution - were themes that would be echoed in Great Britain six years later. The New York Times noted in an editorial, “Now that most leading economists agree that the plane makes no economic sense for the nation, surely it is time for the Administration to wheel it back to the hangar and turn its attention to more

important transportation problems.”

William M. Magruder, a proponent of the plane, led the SST office within the administration. He vociferously defended the program and challenged the economic arguments against it. He had an increasingly difficult time, however, in refuting the environmental arguments. The supersonic boom was a reality. The plane would consume vast amounts of fuel. And a new and pesky environmental issue was raising its head, albeit quietly – the affect on the ozone layer.

Things looked to come to a head in December 1970, with a bill on the Senate floor that would end all funding for the supersonic program. On 3 December 1970, the Senate voted to end funding of the US SST program, fifty two to forty one. But there was still life in the program, for the House would have to follow suit. Pro-SST groups were galvanized into action: President Nixon noted that ending the program would throw away $700 million in money already spent – calling to mind the argument about throwing good money after bad; Magruder declared “I personally consider this the most monumental hypocrisy in the history of the Senate;” and a group of airline executives, led by Pan American World Airways President Najeeb Halaby called the fifty two Senators who had voted against the program “misguided” and ill informed. In January 1971, the House affirmed its continued support of the SST funding by a vote of 213 to 1974, failing to go along with the Senate bill.

Anti-SST forces went again on the attack. In February 1971, Charles Lindbergh, the “Lone Eagle” who had pioneered trans-Atlantic flight, and who was now a member of Pan American’s Board, came out against the SST program. Both proponents and opponents girded for one final confrontation, the hearings before House Appropriation Subcommittee

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on Transportation and the Senate Committee on Appropriations. The House meetings would take place on 1, 2, and 3 March; the Senate hearings on 10 and 11 March. Votes were anticipated for the end of the month. As the hearings progressed, both sides entered impassioned pleas for their causes, but that annoying issue that Magruder had failed to address started to grow from pesky to prominent – the affect of supersonic jets on the ozone layer. James McDonald of the Institute of Atmospheric Physics at the University of Arizona testified in a lengthy, often tedious and technical presentation that the emissions of 500 SSTs would lead to an additional 10,000 cases of skin cancer in the United States due to depletion of the ozone layer caused by the aircraft’s water vapor emissions. Suddenly the anti-SST debate resonated even closer to home; it was bad enough to create noise, cause pollution and consume fuel; it was another matter when the plane would start killing American citizens through heightened risk of cancer. Where Americans who lived far from the few cities that could support supersonic commercial flights largely ignored the noise issue, depletion of the ozone layer affected everyone. On 18 March, the House voted against further appropriations by a vote of 215 to 204, overturning its prior support for the program. Then on 24 March 1971, the Senate again voted against the program, this time by a vote of 51 to 46. The American SST program was dead, yet the Europeans and Soviets were moving ahead with the Concorde and Tupelov programs. For these planes to achieve any degree of commercial

30 McDonald never assumed that the United States would built 500 supersonic transports; he assumed that 500 was a combined total of American, European and Soviet jets.
31 The Soviet Union had embarked upon its own SST program in 1962. Christened the Tupelov TU-144, the Soviet SST made its first test flight in 1968, beating Concorde into the air by two months. A highly visible and publicized crash in 1973 at the Paris Air Show delayed its first commercial flight till 1977. A second crash in 1978 grounded the entire fleet after just 55 flights. Like Concorde, the TU-144 did little but hemorrhage red ink.
success they required access to the United States, and all the same arguments that killed the American program would be dusted off and leveled to keep the foreign aircraft away.

The defeat of the American supersonic program fueled European suspicions of US motives during the Concorde debate and led British and particularly French negotiators to question the true motivations for the US position during the negotiations. Once the US program had been defunded, European negotiators suspected that American officials used environmental arguments as a mask behind which were purely economic motives; if the Americans killed their own plane, surely they weren’t about to allow foreigners to benefit from theirs. This would lead to acrimony and distrust between US and European negotiators, and it reopened the grassroots activism that had materialized in 1970. All sides understood the environmental argument, but Europeans officials were unconvinced by the US position. They argued that the addition of sixteen commercial supersonic airliners was insignificant when compared to the number of supersonic military aircraft already operating everyday in US airspace. Further, France and Great Britain pointed out that Concorde would never fly at supersonic speeds over land, eliminating much of the concern about the plane’s supersonic boom and noise footprint. Understanding how one plane, Concorde, and three nations - the United States, Great Britain and France - created such animosity yet ultimately resulted in compromise is one of the goals of this paper.

The bulk of my sources come from the archives of the United States and Great Britain, which enabled me to create a narrative built from primary sources. Primary sources allowed me to remove other historian’s interpretations, and evaluate the evidence from a
fresh perspective; few historians have attempted to discuss foreign relations in terms of civil aviation. Because the US National Archives has not yet released documents from 1977, my primary archival repository in the United States was the Carter Presidential Library in Atlanta, Georgia. Here I had access to memoranda from the Department of State, albeit which were incomplete but valuable where they existed, as well as the National Security Council; letters from members of congress and Senators to President Carter, National Security Advisor Zbigniew Brzezinski, and Secretary of State Cyrus Vance; personal letters from both Americans and foreigners. These correspondents included representatives of the airline and aviation industries, local politicians such mayors and state representatives, and members of the British Parliament and the French National Assembly. The Carter Library provided me access to paper documents and associated marginalia, but also the RAC system, which has a vast repository of digitized holdings.

At the National Archives in Great Britain I was able to see the “other side” of the story, delving into the Foreign Office files for documents and correspondence surrounding Bermuda II and, to a lesser degree, Concorde. Time prevented an exhaustive examination of the documents available relating to Concorde, but enough were reviewed to reveal Great Britain’s very bifurcated opinion of Concorde. The majority of by British documents dealt with the Bermuda II negotiations between the two countries. Every story has multiple sides, and researching this narrative on both sides of the Atlantic gave me better perspective, broader insight into the pivotal players on both sides, and greater appreciation for the nuances in negotiations and the complexity of compromise.
Where available, I used some on-line documents from both the Reagan and Ford libraries. One of my greatest pleasures and rewards of this research was to see the narrative develop from the documents themselves, to see the story take shape by simply ordering the primary materials, and to let protagonists speak for themselves.

Memoirs must be approached with caution. Nevertheless I used published memoirs and diaries of all the major players in these case studies, Jimmy Carter’s *White House Diaries*, James Callaghan’s *Time and Chance*, and Valéry Giscard D’Estaing’s *Le Pouvoir et La Vie* and *Towards a New Democracy*. None of these heads of state gives much airtime to either Concorde or Bermuda II, but all offer insight into their characters and their priorities at the time.

I found the print media indispensible to create a close detailed narrative of events surrounding the negotiations of both Concorde and Bermuda II. Many public officials make comments verbally that they never put down on paper, and much of the public debate occurs in the media and not in White House reports or Department of State memoranda. No one used the media more directly than Valéry Giscard d’Estaing; he took his case directly to the popular press in both the United States and France. To see public reaction, and to get a sense of the times, the editorial and op-ed pages of the major newspapers are an excellent place to begin. I rely extensively on the *New York Times* for multiple reasons: it was the US newspaper of record and much of the Concorde drama played out in the *New York Times’*
backyard. As a result it provided the most comprehensive coverage. Other New York media sources are generally less reliable and more sensational, so I found myself returning to the New York Times repeatedly. For the view from the other side of the Atlantic, the Times of London provided similarly reliable and comprehensive coverage. But in the case of Concorde, the drama was being played out in New York and not London, so the coverage is less extensive.

Setting out to explore a largely neglected aspect of diplomatic history is an exciting opportunity to engage in original research, but it is lonely work. It quickly became clear that while numerous books on many different aspects of global aviation had been written, few if any focused on the impact that commercial aviation had on the relationships between nations. One work worthy of note is Betsy Gidwitz’s The Politics of International Air Transport36, which looks broadly at global aviation and the impact it has had on the commercial, and to some extent, domestic agendas of many nations. It focuses on the specific regulations that govern international commercial air travel and the processes by which these regulations evolved; it does not look at the negotiating process that resulted in agreements such as Bermuda II, or the diplomacy surrounding Concorde.

Perhaps the author who comes closest to exploring the intersection of foreign policy and commercial aviation is Alan Dobson. I relied on a number of his works to frame this paper. His Anglo-American Relations in the Twentieth Century Of Friendship, Conflict, and

the Rise and Decline of Superpowers\textsuperscript{37} compares the rise of the United States and the fall of Great Britain as world powers. Dobson focuses more closely on aviation and the impact it had on diplomacy in his article “Aspects of Anglo-American Aviation Diplomacy 1976–93,” published in Diplomacy & Statecraft.\textsuperscript{38} This article looks at the impact of commercial aviation policy on the relationship between the two countries; it does not investigate the diplomatic process of the negotiations. Dobson covers far more territory than just Concorde and Bermuda II, and consequently goes into less detail. The majority of Dobson’s sources are either secondary material or interviews that he conducted with people such as Edmund Dell, British Secretary of State for Trade and Industry 1976 to 1978 and Alan Boyd, US Special Ambassador in charge of the US negotiating team for Bermuda II; there are only three primary source citations. In The Journal of Transport History, Dobson published an analysis of the Bermuda II negotiations called “Regulation or Competition? Negotiating the Anglo-American Air Service Agreement of 1977.”\textsuperscript{39} Many of his primary sources are drawn from the Carter Library. This article, along with his “The Other Air Battle: The American Pursuit of Post-War Civil Aviation Rights” published in The Historical Journal\textsuperscript{40}, is one of the very few works to look at the Bermuda agreements, yet neither of these articles tried to extend the analysis any further than the specific commercial treaties themselves. Dobson never tries to paint a picture of the larger role that civil aviation plays in a country’s foreign policy and

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\textsuperscript{37} Alan P. Dobson, Anglo-American Relations in the Twentieth Century Of Friendship, Conflict, and the Rise and Decline of Superpowers (London: Routledge, 2002).


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contains himself largely to the exchange of air services and their economic aspects. Neither article placed Bermuda in a larger continuum of U.S – British relations, nor established linkage with Concorde. Dobson did not use the British archives in developing his narrative nor did he contrast US and British motivations in working towards an agreement. For Dobson, Bermuda II was an isolated commercial treaty, rather than one of many examples of the role that civil aviation plays in the larger realm of foreign relations.

More typical is Harry Lawrence’s *Aviation and the Role of Government*. Lawrence looks at the role of government agencies in the creation and maintenance of aviation policy. He does not analyze how policy affected the relations between nations. It is, nevertheless, a useful primer on how aviation policy is created.

Concorde has a broad and extensive bibliography, most of which falls into two categories, transportation history or technical, largely pictorial, publications. One of the best in the former category is Kenneth Owens’ *Concorde and the Americans*. This is a scholarly and well-researched account of the development of Concorde and its early history with the US aviation industry. As the title implies, it is written from a largely US perspective, and it is not concerned with the impact that decisions about Concorde had on US relations with France and Great Britain. It relies on research in the archives of the transportation agencies such as the Civil Aeronautics Board (CAB) and the Federal Aviation Agency (FAA); but Owens cites nothing from the US presidential libraries. Another excellent work on the

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demise of the US SST is Mel Horwitch’s *Clipped Wings*, a thorough and scholarly account of the forces that killed the American program. It explains the impact that environmental groups had on the program, but like Owens, Horwitch relies on agency sources more than diplomatic archives. Horwitch’s book is purely focused on the American entrant into the supersonic race, so it provides only tangential information on Concorde itself.

Some of the best popular studies of Concorde include Christopher Orlebar’s *The Concorde Story*, which reviews Concorde’s twenty one years of service with British Airways, Brian Trubshaw’s *Concorde: The Complete inside Story*, an extensive review of the development history of the plane, and George C. Denniston’s *Flying Concorde*, which focuses on the inflight experience for both passengers and crew. These are popular aviation and transportation histories, not scholarly studies. There are also “coffee table” picture books available, such as Adrian Meredith’s *Concorde: A Photographic Tribute* and Stephen Skinner’s *Concorde*, to call out just two of forty or fifty available, and all of these books do an excellent job documenting Concorde’s history, often in dazzling color. They appeal primarily to the enthusiast and not the historian. For background material on the De Haviland Comet, an essential step toward the development of Concorde, Derek Dempster’s *The Tale of*

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Comet\textsuperscript{49} provided an excellent popular history, while Kev Darling’s \textit{De Havilland Comet}\textsuperscript{50} added a pictorial history.

The Bermuda II agreement between the United States and Great Britain is a fundamental agreement that helped define the commercial aspects of air transportation over the most profitable and coveted air route across the Atlantic, yet virtually nothing other than Dobson’s article has been written about how it was negotiated, the impact it had on relations between the two countries, and on the Concorde debate. While it is mentioned in many books and articles on the development of commercial aviation, such as Virginia Little’s “Control of International Air Transport”\textsuperscript{51} and John W. Barnum’s “Carter Administration Stumbles at Bermuda,”\textsuperscript{52} none looks at the process of negotiations and none highlights how close the two allies came to terminating a crucial air bridge. There is no study of Bermuda II that describes how the two nations approached the negotiations and the importance they placed upon them.

Understanding the importance of the Bermuda II and Concorde debates requires context, and there the historiography is rich. This paper is not an exploration of relationships between the three countries, so I relied on secondary sources to create context and background. In summarizing the special relationship between the United States and Great Britain, I found John Baylis’ \textit{Anglo-American Relations Since 1939: The Enduring Alliance}\textsuperscript{53}

\textsuperscript{49} Derek D. Dempster, \textit{The Tale of the Comet} (New York: David McKay Company, 1958).
\textsuperscript{50} Key Darling, \textit{De Havilland Comet} (Wiltshire, England: The Crowood Press, 2005).
\textsuperscript{53} John Baylis, \textit{Anglo-American Relations Since 1939: The Enduring Alliance} (Manchester: Manchester University Press, 1997).
and John Dumbrell’s *A Special Relationship*\(^{54}\) to be useful. Alan Dobson provided a unique perspective that included the contribution that commercial aviation made to the alliance. To develop the background material on relations between France and the United States, Frank Costigliola’s *France and the United States: The Cold Alliance Since World War II*\(^{55}\) was indispensable. Additional context was provided by Jean-Baptiste Duroselle’s *France and the United States*\(^{56}\) which deals primarily with the period from the end of the Second World War through the 1960’s.

Discussions of Eurocommunism are abundant, but must begin with Raymond Garthoff’s monumental *Détente and Confrontation*.\(^{57}\) Wolfgang Leonhard’s *Eurocommunism: Challenge for East and West*\(^{58}\) was useful as well. Finally, for background on the environmental movement in the United States, Louis Warren’s primer *American Environmental History*\(^{59}\) was indispensible.

It is easy to generalize; it is easy to conjecture that commercial aviation has an impact that transcends economics and impacts foreign policy; it is easy to hypothesize a small plane might cause the fall of a government or the rise of the radical left. Juan Trippe, founder and first President of Pan American World Airways suggested, “Mass travel by air may prove to


be more significant to world destiny than the atom bomb. “The proof lies in the details. The next three chapters provide two case studies that show that commercial aviation has global repercussions; that the commercial aviation decisions which seem to be local in scope are global in consequence; that global commercial aviation is far more than economic policy, for it is a fundamental part of a nation’s foreign policy and diplomatic agenda. It is also a useful bargaining chip in dealing with other countries. The two case studies are split over three chapters. Chapter Two looks at the first six months of the Concorde debate; Chapter Three looks at the Bermuda II negotiations in their entirety; and Chapter Four looks at the last four months of the Concorde standoff. Dealing with the Concorde case study in two parts reflects how the Concorde debate as a result of the signing of the Bermuda II agreement. The case studies create a narrative that tells many stories. Commercial aviation matters; it is not just about flying people from point “A” to point “B.” Rather, it is about exposing one’s land to another’s eyes, about balancing economic, domestic and foreign policy, and about maintaining alliances and friendships in the face of local opposition. Now it’s time for the narratives to speak for themselves.

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CHAPTER TWO: DEVELOPMENT – CONCORDE, THE FIRST SIX MONTHS

The cost of solving the Comet mystery must be reckoned neither in money nor in manpower.

Sir Winston Churchill, 1954

You know, and I know, the cause of this accident. It is due to the adventurous, pioneering spirit of our race. It has been like in the past, it is like that in the present, and I hope it will be in the future. Here is a great imaginative project, to build a machine with twice the speed and twice the height of any existing machine in the world. We all went into it with our eyes wide open. We were conscious of the dangers that were lurking in the unknown. We did not know what fate was going to hold out for us in the future.

Lord Barbazon of Tara, speaking to the court of inquiry for the Comet accidents, 1954

Possibly the most aesthetically pleasing commercial airliners ever built have rolled off the design tables and assembly lines of British aircraft manufacturers; these same aircraft have also proven to be first in technology, first of their kind in service, and first of their kind to fail. The story of one of these aircraft, the British–French built Concorde, is one of dashed hopes, economic failure, and unrequited optimism. It is a tale filled with political intrigue, Cold War espionage, and diplomatic hijinks. It threatened to precipitate the fall of governments, to fuel the rise of Eurocommunism, and to turn allies into enemies. Most people look at a commercial airliner and see only a utilitarian means of transportation; the story of Concorde proves otherwise. Commercial aviation on a global basis is inextricably tied to national security, national interest, and national pride. It is an adjunct to foreign policy, a component of diplomatic missions, and it touches the highest levels of government. Looking at commercial aviation and its impact on the relationships between nations as a

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1 In the development sections, or movements, the classical symphonic form states the first theme, in this case the beginning of the Concorde case study. In any rondo movement, one can expect an A-B-A form, where we start with the first theme, move the second, and then return to the first one more time. Chapter Four will return to complete the final four months of the Concorde case study.
The story of one plane, the Anglo-French Concorde and one political triangle formed by the United States, Great Britain and France, provides just such an insight into the workings of nations.

**Concorde’s Troublesome Inheritance: The Comet Legacy**

**Comet Timeline 1948 to 1958**

- **1948 – Comet’s First Test Flight**
- **1954 – Crash of Comet off the coast of Naples**
- **1958 – Comet 4 returns to the air.**
- **1954 – April: Comet grounded and production suspended**
- **1952 – Comet’s First Commercial Flight**

**Figure 1: Timeline - Comet 1948 to 1958**

On 8 April 1954, the BOAC De Havilland Comet 1 lined up on the departure runway of Rome’s Campiano Airport, ready for the next leg of its journey to Johannesburg, South Africa. Comet G-ALYY had arrived from London on its first leg, almost 25 hours earlier, and had been delayed by some required maintenance. But now, what might be called the most elegant and polished commercial airliner ever built was ready for its onward journey. Throttles were advanced applying power to the four de Havilland Ghost 50 jet turbines; a
gentle vibration was felt in the passenger cabin as more than 16,000 lbs. of thrust propelled the world’s first commercial jet airliner forward; and some 90 seconds later the gleaming symbol of a renewed, re-energized and resurgent British aviation industry took flight. Thirty-eight minutes later, off the coast of Naples, all contact was lost as Comet G-ALYY plummeted 35,000 feet and disappeared into the abyss of the Mediterranean Ocean, taking with it not only the lives of all aboard, but a nation’s pride in, and hope for, its aviation industry. Yet arguably, out of the ashes of Comet came the seeds of Concorde. ²

The crash of Comet G-ALYY was the fifth in a series of tragic accidents that plagued the new airliner since its first commercial flight in 1952. Two years and five crashes later, the Comet 1 fleet was grounded – permanently, for all practical purposes. Comet was an extraordinary gamble on the part of a country that was desperately trying to recover from the ravages of the Second World War. As early as 1942, Great Britain had formed the Barbizon Committee to steer postwar aviation production. The British knew that the United States had a significant lead in this area, not entirely unrelated to an agreement between the two countries forged during World War II relating to aircraft production, and Comet was an attempt to leapfrog current technologies. “The United States led the world in the design and production of commercial aircraft at the end of World War II by so wide a margin that it was impossible for any nation to hope to overhaul us [the Americans] in the field of piston-engine planes … they [the British] finally decided to gamble everything on their ability to leapfrog

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the intermediate step and design and build the pure jet.”³ Gamble they did, and with a massive bet placed on the table, they won; or at least, so it seemed.

With the first test flight in 1948, and the first commercial flight four years later, Comet beat the Americans into the sky with a jet transport. While Boeing and Douglas were still producing turbo prop transports that seemed to lumber through the air in comparison to Comet’s sleek, sculpted silhouette, De Havilland had revolutionized passenger transportation. Its order books full, the company and its product were a beacon of pride, hope and light that pierced the bleak economic landscape of a country struggling to recover from the war. Yet being first is not always the most sagacious or fortuitous; no one had anticipated the effects of pressurization cycles that would cause structural fatigue and that would weaken the airframe. Comet basked in warm light of success in 1952, but was blinded by the spotlight of failure in 1954, when the fleet was grounded. Britain hopes of post-war recovery had been dealt a major blow.

British author Derek Dempster suggested, in his 1958 book on Comet:

The tale of the Comet is not just the story of an aeroplane. It is the story of pioneering, the story of a vision, of a challenge, of success and disaster, of triumph over failure, of faith in adversity. It is a full blooded tale deserving a place not only in the history of aviation, but in the history of these islands [Great Britain] and the world.⁴ Dempster likely overstated the case, but not by much; Comet was a technological marvel that promised to revolutionize air travel, bring nations closer together, and give Great Britain, and Europe, a win against the seemingly indomitable United States. As the New York Times

noted, “The whole situation is a little paradoxical. The United States, long the world’s leader in building commercial airliners and rich in dollars, materials and design and building experience, is watching Britain, economically and financially strained and never better than second in the air transport field, take the lead in a new type of aircraft.”\(^5\) In that same article, the *New York Times* noted that US air carriers were reluctant to buy the new jetliner; “Their position is that Comet is not yet an economic airliner and that only when an economic jet comes along will they be interested enough to shift from propeller-drive to jet powered transports,” a sentiment that foretells the US position on Concorde as well.\(^6\)

When Comet did finally take to the air, it was to accolades by all, except perhaps the Americans. Sir Miles Thomas, chairman of British Overseas Airways, set his eyes firmly across the Atlantic. “As soon as we get the London – South Africa service going … then I hope to put a fleet of Comets in the dollar shop windows with services between New York, Bermuda, Jamaica and the Bahamas.”\(^7\) He further taunted Americans by suggesting, “When B.O.A.C. [British Overseas Airways Corporation] gets Comets into service, New Yorkers will be able to take a swim in Bermuda and dry themselves at home.”\(^8\) Put differently, “The Comet schedule would put Bermuda as near to New York as Northern Westchester is by car.”\(^9\)

What a difference two years can make. “The De Havilland Aircraft Company acknowledged today that production of the Comet, the only jet airliner now flying, had been

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\(^{6}\) Ibid.


\(^{8}\) Dempster, 85.

suspended … this news was the toughest that Britain has had to swallow in the series of disasters involving the Comet, the nation’s proudest post-war aviation achievement.”

Adding salt to the wound, the *New York Times* reported “British Overseas Airways Corporation said today that it might buy United States’ planes to supplant its grounded Comet jetliners … it was possible that the company would buy Constellations direct from the makers. Reports that the company has asked the British Government for a million pounds ($2,800,000) to buy Constellations are ‘speculative’.” How times had changed.

In understanding the political and diplomatic pressures that surrounded Concorde twenty years later, it is essential to understand what happened to Comet. Comet had been a bold venture into the unknown. Lord Barbizon noted during the Comet crash hearings, “We were conscious of the dangers that were lurking in the unknown. We did not know what fate was going to hold out for us in the future.” The British saw their gamble fail, and their losses continued to mount. Perhaps no more poignant a eulogy was offered after Comet’s demise than Winston Churchill’s lament, “I must place on record my regret that the human race ever learned to fly.”

Comet was not a complete loss. Four years of intensive investigations, redesign, retooling and retesting resulted in Comet 4 taking flight in 1958. Rallying the morale of the country, Winston Churchill commented, “The cost of solving the Comet mystery must be

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reckoned neither in money nor in manpower.”¹⁴ One can not put a price on a country’s pride. Seventy-seven of this Comet variant would take flight, and successfully fly with airlines around the world.¹⁵ Yet seventy-seven aircraft were a mere shadow of the original hopes and expectations. The landscape had changed. In the four years that elapsed between the grounding of the Comet 1 fleet and the re-entry into service of the Comet 4 fleet, the Americans had taken the lead with their new four engine jet transports. The order books were flush for the Boeing 707 and the Douglas Corporation DC-8; these American transports flew faster, flew longer, and were more economical that the ten year old Comets. The American jets could span the oceans without a stop, while Comet would require a refueling stop. Led by Pan American World Airways, which placed the initial launch orders for the B707 and the DC-8 in 1955, the industry embraced the American entrants while judging that Comet’s time had come and gone. The British had missed an opportunity to establish a degree of hegemony in not only the design and sale of commercial air transports, and the resulting international prestige that went with it, but in establishing British thought leadership and technical prowess; instead of leading the industry into the future, the British ended up following the Americans. Again. That is, until the birth of Concorde.

¹⁵ Graham, 49.
If Comet and its generation of jet transports enticed travellers with visions of swimming in Bermuda and drying off in New York, or chasing the sun across oceans, supersonic jets promised more. The next generation of transports would fly at two to three times the speed of sound, and rather than chase the sun, they would beat it. If Comet had promised lunch in London and dinner that same evening in New York, the SST promised breakfast in London, breakfast in New York and breakfast again in Tokyo - all in the same day. Speed was a commodity, and the race to build the first supersonic transport would entice and embitter friends and allies.
The idea of a supersonic transport had its roots in the British aerospace industry as early as 1956. By 1958, the concept had made it to Prime Minister Harold Macmillan, but by 1960, the approach of building it alone was deemed economically unfeasible. The British were looking for a partner. Where the British had been able to bear the costs of the Comet debacle themselves, the financial commitment of developing a supersonic transport was beyond the means of a single company, or even a single country, other than the United States and Soviet Union. Flush with the success of their first generation of jet transports, the B707 and DC-8, the Americans were also looking at developing a supersonic transport. For a brief period of time, Britain and the United States discussed a joint project, but a variety of differences, not the least of which was the speed of the proposed transport, doomed the partnership. The British were planning to develop a first generation SST that cruised between Mach 2 and Mach 2.5; the Americans wanted something faster – Mach 3.5 or better. The two countries decided to go their separate ways, with the Americans pursuing their faster design, and the British once again looking for someone to share the burden. Failing to find a partnership across the ocean, the British looked across the Channel instead.

The French, too, were considering building a supersonic transport. The aerospace industry in France had produced a moderately successful short to medium range commercial

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16 The speed of a supersonic jet is measured in “Mach” numbers. Mach represents the speed of sound, so an aircraft that travels at Mach 2, for example, is flying at twice the speed of sound. The speed of sound is not constant; it varies by altitude. At sea level, it is approximately 761 MPH, but at 50,000 feet it is closer to 660 MPH. Aircraft tend to fly at higher altitudes because they burn less fuel in the thinner air. Consequently, the British were willing to build a plane that would cruise at roughly 1,800 MPH, while the Americans were looking for something that would cruise closer to 2,500 MPH, making the 7.5 hour flight from New York to London on a subsonic jet approximately 3.5 hours on the British design and just over 2 hours with the American design. (http://www.grc.nasa.gov/WWW/K-12/airplane/mach.html, last accessed 1 April 2011).
transport, the Caravelle, which had sold well in Europe and had even garnered a few orders from US carriers. Recognizing that the next major step would be to break the sound barrier, the French were proposing to build a supersonic aircraft similar in design to the British plane. In the summer of 1961, the French and British manufacturers held their first talks about building the supersonic airliner together; on 29 November 1962, the two countries signed the draft treaty to enter joint development. British commitment faltered over the next several years, generally reflecting the current political climate, but the project moved forward. The diplomatic and technical work that led to the Anglo-French pact to build Concorde is outside the scope of this paper, but can be explored in detail in Kenneth Owen’s excellent, Concorde and the Americans. Owen, however, offers a number of observations that are worth noting as we look at the diplomatic history of Concorde and the United States under Jimmy Carter’s watch.

First, Owen reports that the British Chancellor of the Exchequer, Selwyn Lloyd counseled “we should think very carefully indeed before embarking on what I fear might prove to be a major project of a wholly uneconomic character.” More prescient words have rarely been uttered. Supersonic transports drank fuel at an alarming rate, and the astronomical development costs associated with Concorde would doom the plane from the start; by 1975, the development costs for Concorde were estimated at £1096 million, or approximately $2.63 billion, or just under $4 billion in 2012 dollars. The British recognized this early on and grew increasingly alarmed at the economics of the Concorde, but the Anglo-

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18 Owens, 31.
French development pact prohibited either party from unilaterally withdrawing from the project. The British were stuck, mired in a project that threatened runaway costs and increasingly drew the ire of Cabinet ministers and Members of Parliament. One of many measures of the failure of the Concorde project would be a production run of only sixteen aircraft, signifying the lack of faith by airlines on both sides of the Atlantic in the plane’s commercial viability.

The second observation in Owens’ book worth noting is about the differing attitudes of the British and the French towards the project.

The French displayed an unwavering dedication to the program, particularly so during the de Gaulle presidency, while the British appeared to be reluctant partners, concerned about the continually rising costs and seeking to keep all options open. These national differences were reflected also in parliamentary and public attitudes.

One of the reasons that Britain signed the joint development agreement was to bolster its application to join the European Economic Union, and win France’s support in that endeavor. Not unreasonably, Britain assumed that its new partner in such a public and prestigious venture would vigorously support its application. As with everything associated with Concorde, the British were soon to be disappointed in this as well. Great Britain and France signed the agreement to develop Concorde on 29 November 1962; two months later, President de Gaulle vetoed England’s application to join the European Economic Community. The partnership was not off to a smashing start.

Completing the triangle was the United States. While Great Britain and France had formed the first two sides, the United States proved again to be of paramount importance in

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20 Owens, 3.
21 Owens, 5.
the evolution of Concorde. First, the United States had rejected a British partnership in
developing a supersonic transport, pushing the British towards the Anglo-French project.
Next, after deciding to go it alone, and to build a bigger, faster and more economical
supersonic entrant, the United States congress pulled all funding for the project in March
1971, presaging an ill wind for Concorde. With the United States out of the race, one might
be forgiven for believing that Concorde had been given a much-needed shot in the arm; but
one would be wrong. For Concorde to have any chance of success, it needed landing rights to
airports in the United States. The single most profitable route was between New York and
London, and the most profitable region was travel over the North Atlantic. Had the United
States abandoned its own transport because it cost too much, or because airlines showed little
interest, then Concorde might have had a chance. But the United States had abandoned the
project because of the environmental impact of supersonic transports. Having determined that
the SST had a detrimental impact on the environment, the United States was in no hurry to
allow any other country’s supersonic transport to land at its airports.
Figure 2: Timeline - Concorde - The Ford Years

In 1974, US President Gerald Ford met with French President Valéry Giscard d'Estaing. In that meeting US opposition to giving Concorde landing rights was discussed, and the French President made his feelings known. Giscard suggests, “Keep in mind the usefulness for Europe to have an aircraft industry. The American share is now very high … we think our aircraft industry entitled to have some independent development and market.” Ford responds by saying, “Your Concorde is the only SST available. I bled for our SST in
Congress.” Giscard replies, “We should keep in touch on this question.” As Concorde stood poised for entry into the United States, the rhetoric would become increasingly electric. It was a much more forceful and stubborn Giscard d’Estaing that Carter would face in 1977.

The Ford administration had recognized early the problem with Concorde. How do you allow a foreign manufactured aircraft into the United States that has the same negative environmental impact that led to the cancellation of a similar US project? In a memorandum from Secretary of State Henry Kissinger to Secretary of Transportation William Coleman, responding to Coleman’s anticipation of a Congressional veto of his decision to allow Concorde to land, Kissinger offers support; “I would be happy to write a letter telling you the importance on foreign policy grounds.” The problem of Concorde was a diplomatic one; it was for Ford, and would be even more for Carter, a foreign policy hot potato.

President Ford was a strong advocate of the SST in general. On 7 October 1975, Ford, Kissinger and National Security Advisor Brent Scowcroft met in the Oval Office to discuss Concorde. Ford clearly makes his support of supersonic flight known; “You know I [Ford] was chief supporter of our SST. That [denying funding to the program] was a serious mistake.” Kissinger notes “If we ban the landing of the Concorde, we will have a blow-up with the French and the British.” When Ford suggests he would veto any ban, Kissinger

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responded “You don’t have to face it now at all.” In fact, Ford would never have to face the issue, as the baton would be passed to Jimmy Carter in January 1977.

To understand the situation that Ford faced and that Carter would face, one needs to understand the events of 1975 and 1976, for they are the key to debates, public discourse and ultimately Supreme Court decision that followed. Having dismantled its own Supersonic program on environmental, as well as economic grounds, the mood was hostile when the British and French applied for landing rights in the United States. The initial application was made in the summer of 1974 with a projected start of operations in 1976, and was followed by a procedural request by both British Airways and Air France for an amendment to their operating certificates. Under normal circumstances, this was a routine request and process; but as Kenneth Owen notes, “the Concorde was abnormal.” Simply put, Concorde was an unknown – not to mention foreign – entrant into the United States. It was noisier than current commercial aircraft; it consumed more fuel than current commercial aircraft; and it created more pollution than current commercial aircraft. Moreover, it wasn’t built in the United States. Concorde reminded Americans that their supremacy in the air was being challenged.

The Americans had a weapon in their back pockets. A 1969 law stipulated that any major potential disturbance to the environment required an Environmental Impact Study (EIS). The study of Concorde’s impact on the environment was carried out and published by

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25 Ibid.
26 When an airline applies for landing rights in the United States, the Federal Aviation Authority (FAA) grants it an operating certificate, which stipulates the frequency of its flights, the aircraft types it can fly, and the airports to which it has access. For Air France and British Airways to operate Concorde into any US airport, it would require an amendment to their operating certificates.
27 Owen, 92.
the Federal Aviation Authority (FAA) in 1971. In addition to the EIS, the FAA required a proposal from the Environmental Protection Agency on noise regulations for the new jet. Stringent noise regulations could keep the admittedly thunderous competitor out indefinitely. When the draft EIS was published, it was opened to public comment – and comment the public did. The draft document proposed tentative approval of landing rights for the new jet, arguing that the overall impact would be small given the very limited scope of operations and number of Concorde SST’s in service, amounting to no more than six arrivals and six departures per day. Public hearings were held in Washington on 14 April 1975 and in New York a week later. They were boisterous affairs.

The New York hearings started on Friday, 21 April 1975 in a small playhouse in Queens, a New York City borough that bordered John F. Kennedy International Airport. In addition to opponents from the community, it featured opening testimony by then New York Governor Hugh Carey’s key advisor on the Concorde, Ogden R. Reid. An anti-Concorde, environmental advocate, Reid argued, “I believe it would be irresponsible and shortsighted to encourage that development [SST landings] until we have resolved through research and study some very crucial questions involving the health and well-being of our people.”\(^{28}\) In that same hearing, Reid noted that it was quite possible the New York Governor might choose to ban the Concorde from landing in New York, regardless of Federal approval, which was still pending and under debate. When Representative Bella Abzug stepped to the podium, adorned in her signature oversized hat, atop her oversized voice, she referred to

Concorde as “blind, senseless technology.”29 Perhaps even more colorful and designed to incense the already raucous crowd, one speaker suggested, “One if by land, two if by sea, we have to add another signal – three if by air. Today, we have many Paul Reveres here to warn us of this latest British invasion, this time accompanied by the French.”30 The debate did not make the front page anywhere, not even in New York. This was very much a localized affair at the time, and on that Tuesday morning, the headlines screamed, “Thieu resigns … Evacuation of All Americans Considered.”31 Concorde was, by comparison, small potatoes.

The FAA issued the EIS on 13 November 1975. But it was only a recommendation. The final decision on allowing Concorde into US airports lay in the hands of Secretary of Transportation, William T. Coleman, Jr. Coleman faced the unenviable task of considering all points of view, balancing US environmental, economic and diplomatic interests, and in all likelihood incurring the wrath of many and appeasing none. Whether he truly needed more public commentary, or whether he simply wanted to make the decision seem more transparent, he decided to hold a public hearing prior to issuing his decision. On Monday, 5 January 1976, Coleman held a ten hour hearing at the offices of the Department of Transportation in Washington. It featured a cast of colorful characters worthy of a Broadway play. It pitted advocates against opponents; experts against impassioned amateurs; and friends and foes on both sides of the Atlantic.

Witnesses for the British and French brought a written statement from their governments, suggesting that the environmental impact had been “grossly exaggerated.”

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30 Ibid.
Worse, they suggested “Banning Concorde operations by British Airways and Air France would be widely viewed as a double standard and could lead to reciprocal limitation on United States suppliers and United States carriers.” US anti-Concorde Senator James L. Buckley (Conservative) chided the British and French representatives, saying “I honestly do not see how we can be held accountable for the collapse of what appears to in retrospect to have been an ill considered commercial venture.” Arizona Senator Barry Goldwater (Republican) countered, arguing, “In all my experience, I have never known so much misinformation being put out on any one subject as on the supersonic transport plane. These threats are so ill-founded and unsupported by the facts that the Europeans could justly interpret a decision against Concorde as being based upon nothing more than economic protectionism meant to isolate our airlines from foreign competition in our own market.”

But perhaps the most colorful commentary came from the other side of the Atlantic. Clad in purple, the British anti-Concorde cleric, Right Reverend Hugh Montefiore, rose up and evangelized, “The noise from Concorde is not hell because, after all, hell goes on forever. It is more like a secular form of purgatory. It can be best compared to an inflamed gall bladder. The pain is intermittent, but it can inhibit speech.”

At the hearing, New York Governor Hugh Carey also made it known that his decision was made. Should Coleman decide to let Concorde in the United States, it would not be in

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33 Ibid.
New York, “for Concorde operations into New York on a commercial basis must be
denied.” The gauntlet was laid at Coleman’s feet; as New York pitted itself against London,
Paris and Washington, his would be a thankless decision.

The Spark That Ignited The Concorde Debate: The Coleman Decision

On 4 February 1976, William T. Coleman announced his decision. He decided to give
Concorde a sixteen-month trial period with landing rights in New York and Washington. The
trial would include twelve months of operations and a four month evaluation period. The trial
could be ended sooner if operations proved significantly detrimental. At the news
conference, announcing the decision, Coleman opened his remarks saying, “Few decisions I
have made as Secretary of Transportation have caused me greater concern than this one. How
could anyone, no matter what the objective statistics show, not be concerned about any
increase in noise levels around John F. Kennedy and Dulles?” But getting at the heart of the
matter, he continued, “But at the same time, who – placed in a position of decision rather
than advocacy – could confidently take upon himself to treat the aircraft of our allies worse
than other nations have historically treated ours.” Entering the debate, columnist C. L.
Sulzberger in the “Foreign Affairs” section of the New York Times, noted, “It puzzles me that
a fixed number of supersonic transport flights (which can be rationed) should alter
atmospheric balances when one considers that hundreds of even speedier military aircraft are

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cruising every day.” He articulates the central issue that Carter will face with Great Britain and France, noting “If the United States today bans the Anglo-French Concorde from its airports, this will be seen by all Europe as a kind of economic imperialism … if we wish to keep our alliances intact we must restrain excessive ambitions … since we started debating whether we should ban Anglo-French Concorde flights from America, there has been geometric regression [in Anglo-American relations].”\(^\text{37}\) The battle lines were drawn; on the one hand the United States’ two strongest European allies distrusted the motivations in keeping Concorde out and on the other, the concerns of the environmental movement at home. Sulzberger also sees the ties to Comet, when he notes, “Every engineering development has its kindergarten stage. The Ford had its Model-T. The jet transport had its Comet. The British Comet was a poor plane – but it paved the way for subsequent United States Boeing’s and Douglas’s … The future cannot be repealed.”\(^\text{38}\)

As expected, Coleman’s decision received immediate reaction. In Europe, officials were more pleased than displeased. Jean-Charles Poggi, Commercial Director for Aerospatiale (the French manufacturing partner) said, “It is an excellent decision.” Henry Marking, Deputy Chairman of British Airways called it “a wise and sensible decision.” But at the political level, French Transport Minister Marcel Cavaille suggested a “definite yes would have seemed to me fairer and more just.” He echoed one of the basic arguments that the British and French had used from the beginning, that existing agreements between the United States and the two European countries covered all aircraft that had received an

\(^{38}\) Ibid.
airworthiness certificate (which Concorde had) and “should be universally accepted, whatever country builds it [the aircraft].” On the British side, Peter Shore, the Secretary of Trade, noted that the British would take each obstacle “one by one” but also suggested that should New York and Governor Carey block entry in New York, the British government “might be brought in.”

Reaction on US side of the Atlantic was less muted. In New York, Nassau County Executive Ralph G. Caso was “outraged … I see it as a sell-out for the select few and the man must have been mad to reach the conclusion he did.” New York Representative James Scheuer called Coleman’s decision “an abuse of the public trust;” State Senator John J Santucci called it “a sell-out of American health and environmental interests to a foreign economic backroom deal.” And perhaps the most caustic comment came from Joseph R. Lewis, representing the Metro Suburban Noise Association, the Emergency Coalition to Stop the SST, and Representative Bella Abzug; “We now have a triumvirate of ‘public servants’ who have made the United States a colony of Britain and France.”

In Washington, criticism was equally harsh, although perhaps less acrid. Longtime opponent of the SST, Senator Birch Bayh (Democrat), said “I regard this as a very serious mistake. The Concorde is wrong economically, wrong environmentally, and wrong in terms of energy. It is a means of transportation available to a very few rich people. I will strongly

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40 Ibid.
push for legislation to overturn the secretary’s decision.”

Only a day after the announcement, the Senate Commerce Committee vetoed a last minute amendment to an airport aid package that would have barred any SST from landing anywhere in the United States, an amendment that would have effectively negated Coleman’s decision, but by a narrow margin of 10 to 9. Coleman was called to testify in front of the Committee to explain his decision, and in New York, the likelihood of a local ban on the flights and an ensuing court battle loomed. As the New York Times noted, “it is unlikely that the supersonic transport would be allowed into New York for many months, if ever.”

One might ask why there wasn’t similar opposition to Concorde in and around Washington. Even though the plane would be just as noisy upon landing and takeoff from Washington Dulles as it would from New York John F. Kennedy, Dulles was located in a largely rural area while Kennedy was located in densely populated Queens. In essence, it was federal jurisdiction versus local jurisdiction. In Washington, Dulles was operated and managed by the Federal government; consequently, there was no opportunity for local override. But in New York, the New York and New Jersey Port Authority, a joint agency of the two state governments, managed John F. Kennedy; Kennedy was under local rather than Federal jurisdiction.

Coleman appeared before three different House Committees. On 10 February 1976, he met with the House Public Works and Transportation Committee. In a brief statement, he noted the difficulty of wading through the contradictory information, and suggested, “one should not wager his future, and surely not the future of his countrymen, on the basis of

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43 Ibid.
imperfect knowledge. There is simply so much on both sides of the equation that we do not
know and cannot know without observing Concorde in actual commercial operations … a
firm decision at this time either to admit or ban the Concorde would be irresponsible.” 44 Ten
days later, Coleman was called before the Senate Committee on Commerce. In a more
expansive statement, Coleman drew out some of the political reasons for his decision. “I have
had to weigh the obligations of international fairness and reciprocity, recognizing that the
United States, which has produced almost 95% of the aircraft in service in the free world, has
been the primary beneficiary of this 30 year old international structure.” And he concluded
by saying, “Because there is so much we still do not know – about the subjective human
response to Concorde’s actual unique noise characteristics rather than the response to its pre-
arrival publicity … and for reasons of international fairness, I believe the demonstration
period, under strict controls and limitations set forth in my opinion, is in the national
interest.” 45

Finally, on 24 February 1976, Coleman was called for a third time to appear before
the Congress. In an even longer statement and justification of his actions before the House
Government Operations Committee, he addressed the question of whether the decision to
stop the US SST program should have precluded admission of Concorde. “The British and
French obviously reached a different conclusion about the allocation of their resources [to

44 Statement of Secretary of Transportation William T. Coleman, Jr. on the Concorde Decision Before the
House Public Works and Transportation Committee, Subcommittee on Aviation, February 10, 1976,
(http://ntl.bts.gov/lib/33000/33800/33883/DOT_Communications_to_Congress1976.mht, last accessed
5 April 2011).
45 Statement of Secretary of Transportation William T. Coleman, Jr. on the Concorde Decision Before the
Senate Committee on Commerce, Subcommittee on Aviation, February 20, 1976,
(http://ntl.bts.gov/lib/33000/33800/33883/DOT_Communications_to_Congress1976.mht, last accessed
5 April 2011).
build an SST]. I see no particular reason to second guess the wisdom of their choice, and neither the Congress nor the executive has any constitutional warrant to do so,” he explained. On the issue of whether the Concorde would place US airlines such as Pan American and TWA in an unfair and disadvantageous position, Coleman responded, “this was not a consideration appropriate to the decision I had to make under international treaties and agreements and in the spirit of international reciprocity, of which the United States has been the primary beneficiary. We would not, after all, welcome a decision by the British and French to exclude a U.S.-manufactured product because it might compete unfavorably with British and French products.”

It was an emotionally charged issue with constituents that had political ramifications, and it flirted with international treaties, alliances, and trade. The Ford administration wholly endorsed Coleman’s decision, but few others within the United States seemed to agree, including Jimmy Carter.

On 11 March 1976, the New York and New Jersey Port Authority acted as expected and banned SST operations into New York and Newark. The ban was not specifically directed at Concorde, in a sleight of hand, but at all SST’s. Of course the distinction was purely academic, for the Soviets had no plans to operate the TU-144 into New York, and the United States wasn’t building a supersonic transport; consequently, for all practical purposes, its intent was to ban Concorde. The British and French governments reacted as expected, issuing a statement, “Our counsel advises us that the Port Authority does not have the legal

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right to refuse to allow us to operate at Kennedy Airport in light of the permission which has
been granted by the Federal Government." It was the classic showdown between the power
of the federal government and the power of state governments, and as we will see, one that
many Europeans (and Americans) did not completely understand. The debate over states’
rights had been at the heart of US politics for 200 years, and Concorde once again exposed it
to the world.

Concorde operations from Washington’s Dulles International commenced on 24 May
1976. The gleaming needle nosed transports of British Airways and Air France, poised and
posed together on Dulles’ parallel runways, made for a splendid publicity photo – as well as
targets of local and national protest. In New York, there had been a fear that the two
companies might try to start operations in defiance of the Port Authority ban, but they turned
instead to the courts. They wrote off the lucrative summer travel season for Concorde flights
to and from New York. The sixteen-month trial period commenced, and the noise in
Washington – at least from Congress if not the Concorde itself – died down.

The presidential campaign of 1976 found an American populace disillusioned with its
government, licking the wounds of Vietnam, and suspicious of all Washington insiders. Any
idea of an Imperial Presidency had been largely done away with by the 1973 War Powers
Act; it was the perfect time for an outsider to step up and run for the country’s highest
executive office. Jimmy Carter hailed from Plains, Georgia, had never held national political
office, and was the former governor of Georgia; he was as close to a Washington outsider as
you could get, and he would be pitted against the incumbent president, Gerald Ford.

Concorde was little more than a footnote in the campaign, but it was that. During the campaign, the two candidates took dramatically different positions on the supersonic transport; while Ford openly supported letting Concorde land in the United States, Carter opposed Concorde landing rights, trying to capitalize on popular opposition by environmentalists and advocates for the reduction of noise pollution.

In an interview with the French magazine *L’Express*, on 23 August 1976, Jimmy Carter stated his position on Concorde and the supersonic.

> I am against the use of supersonic aircraft under the U.S. flag since the Congress and the government of the United States have refused the construction of a supersonic aircraft in the United States. Six or seven years ago we abandoned the idea of the supersonic aircraft due to the enormous consumption of fuel per passenger, the enormous investments that it required, and the great risks to the environment, especially the noise pollution. If these drawbacks have played against U.S. aircraft, I think that they should be also valid against the Concorde and against any foreign aircraft … I agree entirely with the decision of the Congress 6 years ago, and I think that we should not regard a supersonic aircraft, like the Concorde, differently from our own supersonics, which we have not built for the reason that I gave.\(^{48}\)

This was not what wanted readers in France were anxious to read, and it placed the candidate in opposition to Ford. Carter went a step further and attempted to include his opposition to Concorde and supersonic transports in the Democratic Campaign platform. In the presentation “A New Beginning,” Carter included a commitment to “protect against the noise pollution with which our advanced technology challenges us. I opposed development of the SST on this basis and I also opposed granting landing rights to the Concorde.”\(^{49}\)


\(^{49}\) Ibid, 547.
In November 1976, Jimmy Carter narrowly defeated Gerald Ford, and William T. Coleman Jr. was soon out of a job. The new president was about to inherit a number of old problems, and Concorde was one of them; his first contact came quickly after his inauguration.

Having defeated Ford by a slim margin, Carter took office in January 1977. It is unlikely that the issue of Concorde was top of mind, but within thirty days he was confronting an intense local lobby against the plane, a diplomatic crisis in the making with Great Britain and France, and a divided Congress that challenged the president from all sides. Jimmy Carter would soon gain a significant amount of experience in the areas of foreign policy, diplomatic debate, Congressional politics, and the explosive reaction when a domestic agenda conflicts with foreign policy.

For the French and the British, the Concorde issue could be viewed on three different levels: political, commercial, and symbolic. In the first case, the French government would come under considerable pressure to secure landing rights in New York for Concorde, or the ramifications would cause political unrest and turmoil. At a commercial level, the issue was even more multi-faceted. The British and the French had a considerable financial stake in the manufacturing of Concorde and had invested large sums of public money in its development. Only significant sales of Concorde could recoup these investments, and failure to gain access to New York would eliminate commercial interest in the plane on both sides of the Atlantic. Both British Airways and Air France had made initial purchases of Concorde, and those planes would sit idle unless the access to New York was favorably resolved. And finally,
both countries’ prestige was on the line. This was a chance for Europe to leapfrog the United States in aerospace technology, and Concorde’s success or failure would determine that ranking.

At the same time, there were two potential resolutions to the issue: one political and the other legal. The French and the British jointly pursued both throughout the Concorde debate. Clearly a political resolution was preferable, for it kept the decision out of the hands of local officials and any impact they might have on the court proceedings. The French were adamant that Carter had the option of a political settlement, but chose not to use it; the British seemed to better understand the US separation of powers between the state and federal governments. While still lobbying Carter to get involved, in March 1977 the two European partners brought suit against the Port Authority of New York and New Jersey, in an effort to force a legal decision if a political one could not be found. The Court battle was a long, drawn out process, but ultimately would provide the final resolution. The decision to go to the courts was not taken lightly; just prior to the suit being entered in New York District Court, the British Ambassador to the United States Sir Peter Ramsbotham noted, “if we became convinced that a political decision was likely, given a few more days, and that this settlement would be prejudiced by going ahead [with the law suit], postponement would of course make sense.”

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Jimmy Carter was inaugurated on 20 January 1977. Only two days later, his Vice President, Walter Mondale, left on an eight-day tour of Europe, during which he would meet with both Prime Minister Callaghan and President Giscard d’Estaing. Concorde was hardly the most important issue that the new Vice President would have to face, but it was on the minds of both European leaders. Upon his return, in a trip summary prepared for the President, Mondale reported, “Giscard said, vigorously, that if Concorde cannot land at...
Kennedy, there will be a sharp reaction in France." British Prime Minister James Callahan reminded the Vice-President “this was both a prestige and a political issue for us [British].” Carter was also to receive a call from British Ambassador to the United States, Sir Peter Ramsbotham, regarding Concorde. The President had been counseled by Secretary of State Vance, “If Ramsbotham raises [the issue], you may wish to say: We believe the Concorde should be given a fair opportunity to enter the US. We expect the New York decision [on whether to allow Concorde to land at New York John F. Kennedy International Airport] to be rendered in early February.” This is the line that Carter adopted, and it is very much in opposition to his campaign statements and platform. But the new President was likely learning a quick lesson in foreign affairs and diplomacy; one had to choose one’s battles, and alienating two strong allies would not be a good start for the new administration.

Internally, the British were in a bit of a quandary. As early as 1971 the British press and opposition parties assailed the economics of Concorde. Unlike their French partners, the British understood that Concorde would likely never recoup its investment, and environmental opposition on both sides of the Atlantic would continue to restrict its operations, regardless of the New York decision. Yet with significant public investment

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51 Memorandum from Vice President Mondale to Carter, 31 January 1977, RAC NLC-133-10-23-8-9, RAC Files, Jimmy Carter Library.
53 Ramsbotham is widely praised for his approach and handling of the Concorde affair. Upon his death, in an obituary in the British tabloid The Independent, it was noted “He was instrumental in the negotiations regarding Concorde landing rights, using a firm approach with a soft hand to avoid damaging the special relationship. He succeeded, unlike the French, in balancing the two.” Obituary, Sir Peter Ramsbotham, The Independent, 21 April 2010 (http://www.independent.co.uk/news/obituaries/sir-peter-ramsbotham-diplomat-who-served-as-ambassador-to-washington-before-being-controversially-replaced-by-peter-jay-1949390.html, last accessed on 12 April 2011).
committed to the development project, the British had little choice but to soldier on. Similarly, British Airways was faced with a dilemma. Idle planes sitting dormant on the ground would cost the company interest payments with no return; yet in the air, Concorde’s exorbitant consumption of ever more expensive fuel would result in negative cash flow for the airline. As Ramsbotham realized, “we accept that there is no particular commercial reason for BA [British Airways] to be in a hurry.”

French Ambassador to the United States Jacques Kosciusko-Morizet also made an early call on the new administration, speaking with Vance on 27 January 1977. In that conversation, Vance reports one of the fundamental difficulties that the European allies – and particular the French – had in understanding why Carter did not intervene more directly. Vance reported, “Kosciusco-Morizet noted that President Carter would be very popular in France if he could successfully urge [New York] Governor Carey to allow the Concorde to land in New York … Kosciusco-Morizet noted that this concept of separation of powers was difficult for the French to grasp.” As a Democratic president, Carter could apply some degree of subtle political influence on New York’s Democratic governor, but he had no direct say or control in the New York decision. This “separation of powers,” as Kosciusco-Morizet noted, would continually frustrate the French as they tried to persuade the New York authorities to acquiesce and permit Concorde to land.

56 Memo from Vance to Carter, 27 January 1977, RAC NLC-133-121-6-43-6, RAC Files, Jimmy Carter Library.
On 11 February 1977 British Ambassador Ramsbotham took another approach, meeting with Secretary of Transportation Brock Adams. Adams reports that in that meeting, Ramsbotham first brought up the interdependency of Concord and the Bermuda II agreement for the British government. Unlike the French, the British seemed to view Concorde as almost a bargaining chip in the Bermuda II negotiations; once that treaty had been negotiated, they took a more studied and less vehement approach toward Concorde landing rights in New York City. The French, on the other hand, had a significant amount of political capital riding on Concorde, and then pushed Carter much harder. Nevertheless, Ramsbotham “expressed his government’s displeasure” over recent actions by the New York Port Authority, and “urged us to take a Federal position on the landing rights question.” Ramsbotham was looking for Carter to take a strong pro-Concorde position in the hopes of influencing New York opinion. He also noted that Prime Minister Callaghan would be making a state visit in early March and any negative decision by New York during that visit could be both embarrassing and harmful.

The First Communications Between Heads of State

Both Callaghan and Giscard d’Estaing sent messages about Concorde to Carter in early February, and Carter responded to both on 15 February 1977 in a much publicized reply

57 Brock Adams had replaced William T. Coleman as Secretary of Transportation when Carter took office in January 1977.
58 Bermuda II was a new bilateral air treaty between the United States and Great Britain that was up for renewal in June of 1977. See chapter 3 of this thesis for a thorough discussion of Bermuda II.
59 Memorandum from Adams to Vance, 11 February 1977, “1/20/77 – 1/20/88” folder, Box CA-2, WHCF-Subject File, Jimmy Carter Library.
that outlined his basic position: that while he supported the sixteen month trial period and its extension to New York, he was unable to exert any direct influence on events in New York. In a press conference during which the contents of the messages were shared, Press Secretary Jody Powell also addressed the discrepancy between Carter’s campaign position and his current statements. Powell said, “the President had not changed the view expressed in campaign statements that the original authorization of the Concorde tests by William T. Coleman … had been a mistake … nevertheless, Mr. Carter felt ‘it would not be wise to terminate the 16-month test of operations to this country.’”

In essence, Carter blamed the original decision on the Ford administration but said that it was too late to alter it. Powell’s comments created the proverbial tempest in a teapot. Ramsbotham called it “a most unhelpful gloss” that would actually “be taken by the Port Authority and Governor Carey as a negative, not a positive, signal from the White House.”

He also noted that US Ambassador to France Arthur Hartman “was appalled” by Powell’s remarks. Yet a day later, the British sense of perspective returned, with Ramsbotham noting “I am sure Powell took the action without consulting the President … but this is not all that surprising. Such lack of coordination can be expected in an administration which is still in the formative period.”

Carter seemed to validate Ramsbotham’s assessment by issuing a statement on 18 February reaffirming his support for the on-going trials at Dulles. This quick clarification of the President’s position acknowledged the administration’s desire to appease its European allies. It is worth noting

that Carter wrote precisely the same thing to both leaders, not singling out one any more than
the other. At this point in the early days of Carter’s nascent foreign policy, he was taking no
chance of alienating either leader; both men, their countries, and their administrations were
being treated with equanimity.

The British recognized and appreciated the delicate spot that Carter was in. Ramsbotham noted “this had not been an easy decision for the President, who could expect to
face a good deal of opposition over what he had done, particularly in the light of his
campaign statements regarding Concorde … my own view is that the President has gone as
far as could reasonably be expected of him, perhaps rather further.”63 British reasonableness
did not to extend to the French. Ramsbotham notes that the French Ambassador “seemed a
good deal less satisfied with the outcome … I urged on him my view that it would have been
very difficult for the President to have acted in any other way, given the balance of between
State and Federal responsibilities. But this is a problem which the French always find
difficult to comprehend because their own organization is so very different.”64 Throughout
these negotiations the British would take a more reasoned approach, reflecting their
understanding of Carter’s limited options, while the French spewed vitriolic rhetoric which
inflamed the New York politicians rather than calming the turbulent air surrounding the
debate. The French were convinced that Carter was obligated to support their application for
landing right based on the existing air service treaty between the two countries, and were

63 UK National Archives, PREM 16/1160, Telex from British Ambassador to the United States
64 Ibid.
equally convinced that Carter could exert more direct influence over New York policy than he was choosing to do.

In a more interesting memo sent to Callaghan on 4 March 1977, Carter included a lengthy hand written addendum. In that more personal note he says he will expand on the original statement “because of my concern for our friendship, and because I know how much the Concorde means to you.” He goes on to explain, “it is important that you realize that under our system of government I have no authority over court proceedings or state and local officials, and it is considered highly improper for a President to attempt to exert such influence.” He concludes asking for the Prime Minister’s help; “the statements made by you and other government Leaders about this matter will have a major affect on British public opinion towards our own government and our people. My hope is that you will join us in minimizing any adverse affect on the valuable friendship which exists between us.” Carter recognized the potentially detrimental effect that the two countries differing positions on Concorde could have on public perception of the United States in England and how it could damage the special relationship that existed between the two countries.

On 4 March, Carter received a call directly from French President Giscard d’Estaing. During that call, the French president acknowledged the limited direct role that Carter could take in resolving the situation in New York, but he expressed a degree of urgency and desperation. The *New York Times* reported “Mr. Giscard d’Estaing told Mr. Carter that a negative decision could touch off a wave of anti-Americanism in France. Moreover, the

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French leader appears to fear that, with the pro-government forces already hard pressed by the alliance of Socialists and Communists in the municipal election campaigns now under way, the governing coalition of the center and the right would be widely blamed for having failed to swing American opinion.”66 According to the French Ambassador in Washington, Kosciusko-Morizet, Giscard d’Estaing told Carter that a continued ban and a negative decision by New York, “could provoke a very grave crisis in French-American relations and could be resented very actively by French public opinion.”67 Whereas Concorde was being linked by British leaders to the commercial air treaty between the US and Great Britain, in France, it was becoming central to a political drama that would play out over the next several months.

Lenard James Callaghan had been elected Prime Minister of Great Britain in 1976, one year ahead of Carter’s ascension to the United States’ chief executive position. His Labor government was under no less attack than Giscard d’Estaing was in France, but Concorde was a slightly more tangential issue politically, although it still mattered in terms of national pride, prestige and reputation. Callaghan was scheduled to visit Carter on 10 March 1977, approximately a week after Giscard d’Estaing’s call. The situation on the ground was focused on events in New York by early March. Two things were hanging in the air. The New York Port Authority still owed a final decision on Concorde. It had delayed a decision four times, and now it was poised to issue a final ruling on the day of Callaghan’s arrival. Politicians and diplomats in Washington were well aware of the sensitive nature of such a decision, and the

potential embarrassment it could cause the British Prime Minister during his visit. In France, the decision was viewed as more than just potentially embarrassing; it was viewed as pivotal. A White House memorandum notes, “if there is a negative decision on Concorde by the New York Port Authority on March 10, the French government is now sure that the French trade unions will immediately implement a plan to boycott all U. S. aircraft landing at French airports.”  

In that same briefing memorandum, the President of the American Chamber of Commerce is reported as saying, “that there will be ‘swift and immediate’ reaction to any adverse decision on March 10,” noting also “how emotional” the Concorde issue had become in France. Concorde was also headed to the courts. British Airways and Air France had filed suit in state court against the Port Authority, claiming that the ban on Concorde was illegal, predatory, and discriminatory. Things on the ground were, to say the least, getting interesting.

How hot were things in France? In a front page editorial in the Parisian daily *Le Monde*, the editor noted that this was about more than just noise, pollution and sonic booms; “the United States intends to maintain, despite all the beautiful words, its absolute hegemony” in the production of air transports, and “how easy it is to take refuge behind the environment if one wants to preserve the interests of American companies.” The editor suggested that the alleged concerns about the environment were just an excuse for the United States to hide behind, when the real motives were largely economic. Further, *Le Monde* was skeptical of Carter’s assertions that the Federal government was powerless to step in and mandate the issue; “it is firmly understood that Mr. Carter, who is not personally in favor of

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68 Memorandum, Carter Library, 4 March 1977, RAC NLC-1-1-2-25-0, RAC Files, Jimmy Carter Library.
supersonic planes, is happy to find an escape route.”

Some politicians in Great Britain agreed. In the House of Commons, Clive Davis, Under Secretary of State in the Department of Trade, was reported as saying that the failure to grant landing rights in New York was “a serious violation not only of the spirit but also of the requirements of our bilateral air service agreement with the United States.” He further suggested that treaties are made between governments, and that local authorities have no right to modify or abrogate them.

The situation in New York was equally volatile, where passions seemed at times to outweigh judgment. Brendon Byrne, Governor of New Jersey, saw the Concorde dilemma as an opportunity for his state to trump New York. Newark Airport was New York City’s third airport, but it never garnered the international traffic that served New York JFK, or the high revenue business traffic that utilized New York LaGuardia. In a meeting with Ramsbotham, “Governor Byrne was particularly helpful. He teased me a bit about Newark, saying that I should get British Airways and Air France to share with the New Jersey government the dollars ten million cost [sic] to extend the runway at Newark.” A few weeks later, when British Airways and Air France suggested that they would be able to meet the noise restrictions at New York JFK, Byrne reported that Carey had responded “this was of no consequence; the matter was totally political.” British Consul-General to New York, Sir Gordon Booth, noted, “if the Port Authority were to refuse such an offer [meeting noise

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restrictions] it would greatly strengthen our hand in showing how totally unreasonable New York is behaving and would be useful support for any retaliatory action.”  

British Foreign Secretary David Owen followed up noting, “that we are re-examining the scope here for action similar to that taken by the French” regarding potential retaliation against US airlines. Ultimately the British rejected such a course as counter productive.

The European Foreign Ministers and British Prime Minister met on 7 March 1977 in Paris to discuss a number of topics, among them Concorde. The French again took a strong position, French President Giscard d’Estaing positing “his belief that an adverse decision in New York would very seriously damage United States / French relations,” and that his government would be under extreme pressure “to take retaliatory action (e.g. to direct all American flights to Lyon [rather than Paris].” The British position was, as usual, more accommodating, noting “public opinion in this country [Great Britain] did not feel as strongly on the question of Concorde as French public opinion did.”

British Ambassador to France Sir Nicholas Henderson informed the Foreign Office in London ad the British Embassy in Washington that “The French are working themselves up to a great pitch of excitement about the injustice that will be done to them by a negative decision,” and the subject “dominates press and television.” Henderson also noted the wider implications of the British reaction, beyond appeasing French ire; “The Prime Minister will naturally have our

75 UK National Archives, PREM 16/1160, “Concorde,” Extract of the meeting between P.M. / Foreign Ministers on 7 March 1977, 7 March 1977.
own relations with Carter in mind as well as the wider interests of American relations with Britain and indeed Western Europe as a whole.”

The British, in both the Concorde crisis and the Bermuda II negotiations, understood that importance of balancing strategic gains with long-term policy.

Ramsbotham met with French Ambassador Jacques Kosciusco-Morizet in Washington. From the French perspective, a crisis was brewing. Ramsbotham reported that the French Ambassador reiterated “the importance of the issue to France,” and that he feared “if the PA [Port Authority] decision was unfavourable, he himself might be recalled. Former French Minister for Foreign Affairs Michel Jobert had even said in public that that an unfavorable decision would require France to withdraw from the Atlantic Alliance.”

Ramsbotham also noted “a negative decision by the PA would be bound to help the Communists in the French election.”

Behind the French hyperbole lay a potential diplomatic crisis. At a distance it is hard to believe that the French would have withdrawn from the Atlantic Alliance over Concorde landing rights, but at the time it underscored the importance and urgency they placed on the decision. The French were taking the Concorde decision seriously, and threatened dire consequences should it not be resolved favorably; only time would reveal whether that was posturing or not.

Callaghan had an excellent relationship with former President Gerald Ford, and he hoped to forge a similar friendship with Carter; “he leaves for Washington confident that he

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76 UK National Archives, PREM 16/1160, Telex from British Ambassador to France Sir Nicholas Henderson to Foreign Office in London and British Embassy, 7 March 1977.

77 UK National Archives, PREM 16/1160, Telex from British Ambassador to the United States Ramsbotham to Foreign Office in London, 7 March 1977.
can achieve the same thing with Carter, with whom he has a number of things in common—service in the navy, membership in the Baptist church, and ownership of a David Brown tractor.” The *New York Times* correspondent, R. W. Apple went on to note that one US diplomat described Callaghan, “as the closest thing to an American politician on the British scene,” and one for whom “it is important … to be able to pick up the phone, when the dust of politics is rising around him, and talk to his counterparts in the United States, Germany, France and elsewhere.” Not unlike Carter, Callaghan took a hands on approach to governing and diplomacy. But the same article goes on to note that while the trip was to forge ties, establish a relationship and a framework for the two countries to work together, and “a gesture of hope and faith” for the special relationship that existed between the countries, it was also “designed to demonstrate to Mr. Carter how seriously the British take the landing rights issue.”

**Prime Minister Callaghan Comes To Washington**

With Callaghan’s upcoming trip to Washington, the British found themselves in yet another “sticky wicket.” The Port Authority was scheduled to render a decision on Concorde landing rights while Callaghan was in the United States. Although a positive decision to allow Concorde to land would be perceived as a significant win during the Prime Minister’s visit, a negative decision would be seen not only as a set back for the Anglo-French consortium, but embarrassing for Callaghan as well. The British wrestled with the dilemma,

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79 Ibid.
and had two options. They could let events run their course, and prepare damage control in case of a negative outcome; or they could petition the Port Authority for a delay, citing new, albeit fabricated, evidence they wished to present. The French were reluctant to petition for the delay, but would go along with their nervous partners. Rather than chance their luck, they decide to punt and request a delay.

Ramsbotham recognized the impact that a negative decision could have on the Prime Minister’s trip; “the shadow it would cast over the Prime Minister’s visit would be unfortunate.” But the delay fooled few on either side. British Consul General Booth thought the action foolish, “that the Port Authority never intended to reach a decision and that politics has intervened once more.” He called the situation “embarrassing,” and deflected blame on “the lawyer representing the French.” Booth was wrong about that. The French did not favor the delay; the British forced the decision due to Callahan’s visit. In a memo to the Prime Minister’s Secretary, Patrick Wright, the Foreign and Commonwealth Office issued the following advice: “we would not be opposed to a postponement of the Port Authority’s decision … the main merit of a postponement … is that it would largely remove Concorde from the public arena during the Prime Minister’s visit.” This was a British, not a French, decision. Booth’s further assessment of the situation was, however, correct. “I will not waste your time by dwelling on how foolish this unilateral action has made all the British and French parties look.” He suggests that the media on both sides of the Atlantic were cynically

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80 Ibid.
82 UK National Archives, PREM 16/1160, Memo from E. A. J. Fergusson, Foreign and Commonwealth Office to Patrick Wright, 7 March 1977.
posing the question, “whatever are the British and French up to?” What the British were up to was a realization that Concorde was in trouble in New York.

The decision to request the postponement, which was granted, was not being taken lightly. Callaghan sent President Carter a telegram on 8 March 1977. He wrote, “I am glad that the unfortunate coincidence of an adverse decision on the first day of our talks has been removed,” a clear signal that the British had accepted a negative decision as a fait accompli. That same day, Callaghan stood in front of Parliament, answering questions about his upcoming visit. When asked, would “he raise the question of Concorde? [Would] he bring to the American President’s attention the fact that Concorde is our major national interest?” Callaghan replied “I would regard it as a very great misfortune if the finest aircraft in the world was not allowed to land at one of the world’s finest cities.” He further informed the member that he had told Carter, in the telegram sent earlier that day, “that we do not like getting a verdict without a prior trial.” But he also cautioned that the president’s options were limited by the relationship between federal and local governments; “I have no desire to whip up a frenzy when there are limitations placed on all parties.” Callaghan appreciated Carter’s tenuous position in the debate far more clearly than did Giscard d’Estaing. Finally, just prior to Callaghan’s departure, British Foreign Minister David Owen, under instructions from the Prime Minister’s Office, sent the British Embassy in Washington a warning; “You should know that the Prime Minister has asked that nothing should be said on Concorde by

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84 UK National Archives, PREM 16/1160, Telegram from British Prime Minister Callaghan to US President Carter, 8 March 1977.
85 UK National Archives, PREM 16/1160, extract from Hansard, 8 March 1977.
Ministers or Officials without reference to him. He is anxious that the Concorde question should not, repeat not, dominate his visit to the United States.” The British were always aware of the danger that pushing Concorde too hard could result in substantial damage to the relationship between the United States and Great Britain.

In preparation for the Prime Minister’s trip, the Board of Trade in London was asked to answer nine questions about Concorde, to better prepare Callaghan for the upcoming discussion with Carter. Of the nine, the third is of most interest in clarifying the calculated ambivalence the British harbored towards Concorde. When asked about the economic value of the New York route, the Board of Trade replied that the New York route would generate approximately 26 million pounds sterling out of an anticipated total revenue of 61 million pounds, or approximately 40%. However, “operating costs would outweigh revenue.” Concorde would never make money, losing an estimated 5 to 6 million Pounds per year, without adding amortization into the figures. Nevertheless, “New York route has high prestige value and is possibly key to future sales.”

British Airways fully recognized that Concorde was a money-losing proposition with or without the New York route; the British Board of Trade acknowledged the negative economics of the plane. Every Concorde flight would generate additional losses, adding to the total deficit, yet politics, national pride, and the Anglo-French alliance trumped common sense.

When Callaghan arrived in the United States on 10 March 1977, he did so with an eye toward the dramatic, and a plan to open the talks with an exclamation mark. Rather than

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86 UK National Archives, PREM 16/1160, Telex from Board of Trade in London to British Embassy in Washington, 9 March 1977.
arrive on the Royal Air Force VC-10, Callaghan chartered one of the six Concorde aircraft then flying, stepping off the controversial aircraft at Washington Dulles and establishing at least one topic of conversation. Things in Washington itself did not bode well for the talks; Heads of State are normally welcomed with a traditional 19-gun salute. But as Callaghan arrived, the City Hall in the nation’s capitol was under siege by Black Muslim gunmen. It was feared that the firing of guns might be misconstrued, and lead to a return to gunshots.

Transcripts of the meetings are not available, but White House briefings shed a significant amount of light on the tenor of the discussions. Carter opened the meetings by talking about the “special relationship” and the “unbreakable friendship” between the two countries, and even avowed “Great Britain is still America’s mother country.” In turn, Callaghan credited Carter with improving “the political tone of the World,” and establishing a new atmosphere in Washington. In an attempt to keep the first day of talks on an even and positive keel, Concorde was left off the agenda, and held for the second day; Callaghan’s arrival by Concorde was likely enough said on the subject.

Callaghan and Carter did discuss Concorde on the second day of their talks. White House press secretary Jody Powell told reporters, “The Prime Minister [Callaghan] re-emphasized in the strongest terms the importance his government and France attach to a fair

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87 The number of guns fired will vary by the position of the arriving dignitary. For foreign ambassadors and Prime Ministers, the 19-gun, rather than a 21-gun, salute is customary (http://www.globalsecurity.org/military/intro/salute.htm). Callaghan received a 19 gun salute upon his arrival; more recently British Prime Minister David Cameron received a 19-gun salute when meeting with US President Barack Obama (http://www.telegraph.co.uk/news/politics/david-cameron/9143412/David-Cameron-given-19-gun-salute-as-he-holds-talks-with-Barack-Obama.html).


89 Ibid.
trial at New York,” and Carter “reaffirmed his desire to see the 16-month trial period at both J.F.K. and Dulles.” Yet Callaghan also met with British reporters, and tried to put the Concorde issue into perspective; “he told reporters that while the Concorde was an important question it had to be put into the context of the overall relations between the United States and Britain. Unemployment was a more important world problem than landing rights for the Concorde.” Callaghan’s statement demonstrates the difference between the more studied approach to the negotiations by the British, and the more vehement attitude taken by the French. Giscard d’Estaing would argue, time and time again, that Concorde was about employment; that it was about saving the jobs of thousands in the French (and British) aerospace industries; and that it was about putting food on people’s tables and not about one more noisy plane taking off from an already overcrowded airport in New York.

During the Prime Minister’s visit, Carter and Callaghan discussed both Concorde and the Bermuda II treaty. Whereas the public record on the treaty negotiations is complete and detailed, the records of the Concorde discussions are brief and summary. Perhaps Callaghan did what he needed to, carrying Concorde’s standard to Washington, but understood that the US President had little control over the outcome. Upon Callaghan’s return, two brief assessments of the Prime Minister’s meetings with regards to Concorde were documented. Prior to meeting with President Carter, Callaghan had met with Secretary of State Cyrus Vance on 9 March 1977. Of that meeting, it was noted, “He [Callaghan] had tried to play down the public outcry about Concorde at home over the past few days … he hoped he had

91 Ibid.
made his own position clear not only in parliament but also by arriving in Concorde toady.”

The British official record is even terser; “he [Callaghan] understood the President’s position but the latter had also to take into account British and French public opinion. The fact remained that we [Great Britain] had treaty rights with the Federal Government … the President [Carter] did not respond.”

**Allies At Odds: France And Great Britain Attempt To Agree On Next Steps**

Callaghan spoke with French President Valery Giscard d’Estaing on 16 March 1977, just days after returning. The French President was curious about the Prime Minister’s assessment of Carter’s position, and unlike the public rhetoric, the conversation was calm and rational. Callaghan started by noting, “he [Carter] obviously felt that the question was political dynamite for him and probably did not want to get too deeply involved.” Callaghan also remarked that Carter had attempted to deflect some of the blame back on the Anglo-French partnership. “President Carter had complained to him that we had not done enough to get public opinion on our side … it was basically the environmentalists who were making the running in the United States, and the decision would be taken in New York, and not in Washington.” Callaghan told Giscard d’Estaing that he did not agree with either statement.

In fact, neither the British nor the French ever believed that it was the environmental issue

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92 UK National Archives, PREM 16/1160, Note of a meeting held in Washington between the Prime Minister and President Carter on 9.3.77, 9 March 1977.
93 UK National Archives, PREM 16/1160, Note of a meeting held in Washington between the Prime Minister and President Carter on 11.3.77, 11 March 1977.
94 UK National Archives, PREM 16/1160, Note of a conversation between the Prime Minister Callaghan French President Valery Giscard d’Estaing, from Patrick Wright to A.C. Hutton, Department of Trade, 16 March 1977.
standing in the way of Concorde. Both sides believed that the United States, having backed out of its own program, would do whatever was necessary to block the success of any foreign supersonic initiative.

While cooler heads might prevail in Great Britain, C. L. Sulzberger, writing from Paris, noted that “In France, where Gallic vigor is often summoned to enhance Cartesian logic, there has been a perceptible rise in public anger and official irritation at the United States, and the issue, which is not crucial to the future of either the West or the world, has been inflated beyond recognition.” French Prime Minister Raymond Barre, usually more cool and collected, lashed out first at the Port Authority – “I cannot really appreciate the U.S. attitude. People here are shocked to see a plane furnished with the proper navigation certificate excluded from an airport – the most important airport in the world. They cannot help believing this is an act of bad faith.” Then, questioning US motives, Barre continued; “I am genuinely concerned about Franco-American cooperation on other bilateral or multi-lateral projects.” On Carter himself, Barre suggested that while President Ford had held and maintained a consistent and understandable point of view, he thought President Carter indulged in “improvisations” rather than displaying strong, consistent leadership. Emotions continued to escalate across the channel from Great Britain, and across the ocean from New York.

While Paris was seething with resentment, things in New York were temporarily calming down. While the ban on Concorde was a local issue – it was largely about the impact

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96 Ibid.
on a single community surrounding New York’s Kennedy Airport – its global, diplomatic and political ramifications were not lost. Two actions were in flight in New York – a review of the ban by the New York Port Authority and the lawsuit brought by Great Britain and France against the same Port Authority. Prior to Callaghan’s arrival in Washington, the Port Authority agreed not to take up the ban at a 7 March meeting of its commissioners. Then, on 14 March, the French and British plaintiffs in the lawsuit requested from the court a postponement of the 15 March hearing. The court immediately granted the delay, largely in recognition of the political fallout that a negative outcome might cause in the upcoming 20 March 1977 municipal runoff elections in France, “a desire of the French Government of President Valery Giscard d’Estaing to avoid any chance of a court rebuff that could hurt its prospects in the runoffs.”

Putting the rhetoric aside, there was a real fear that Concorde could tip the scales in France against the centralist coalition headed by Giscard d’Estaing, and bring the socialists and communists into the government. In Washington, where the worldview was still dominated by the Cold War and Eurocommunism generated genuine fear, Concorde was seen as another pawn in this nuanced game of global politics.

The British and the French were at odds over next steps. Two decisions had to be made. The first was whether to make a technical presentation to the New York Port Authority, which would provide further proof of Concorde’s ability to meet the noise footprint requirements. The second was whether to ask District Court Judge Pollack to delay the hearing date for the Anglo-French lawsuit. The problems were two fold. In the case of the

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technical presentation, the British were concerned that there was insufficient time to compile compelling and accurate data to support their claims; British Foreign Secretary David Owen counseled “that it would be dangerous to make a premature presentation to the Port Authority.” Should the information be inaccurate and the resulting claims of compliance unattainable, “it appears obvious … that the Authority [New York Port Authority] will have the strongest possible grounds for banning Concorde forever from New York.” The French begged to differ; they believed that time was both of the essence and ripe for the presentation. In a meeting between the two sides, French Secretary of State for Transportation, Marcel Cavaille is reported as replying “with a vigorous and at times heated exposition of the French preference for a presentation to the Port Authority by 30 March [two weeks ahead of the next meeting] … it became clear that there was no chance of reconciling our differences this evening.” As for setting the date for the court hearing, again the two sides differed. The British wanted to press ahead and let the judge set the date; they believed that the two decisions – one by the Port Authority and the other by the courts – were separate and unrelated. The French believed they were very much related, and thought that setting a court date would prejudice the Port Authority’s decision. The British threatened to go it alone; “against this background, our embassy in Washington have now been asked to advise

the lawyers for British Airways to approach the judge, if necessary without the French, for a date on or about 28 April.”

Not surprisingly, the two sides compromised – or so it seemed. London agreed to participate in the technical presentation as long as Paris agreed to request a firm court hearing date. Lawyers for the two airlines met with Judge Pollack on 30 March and requested that a hearing date be set. As had been agreed between the two airlines, lawyers for British Airways asked for a hearing date of 28 April; the lawyers for Air France preferred “not to commit themselves to a specific date at this stage.” This left the British in a quandary, having been betrayed by their French colleagues. “Although the French have failed to support us,” the British decided to participate in the technical presentation, which “appears to have gone as well as it could have been hoped.” It was a feud among friends; neither the first nor the last.

If the pressure from Great Britain seemed to abate somewhat, the barrage from France continued. Only days after Callaghan had departed, the US Embassy in Paris reported to the White House, “Radio-France is organizing a visit by a delegation of approximately 20 French private citizens to visit Washington and New York March 16 – 18 in support of Concorde landing rights.” While the group may have consisted of private citizens, they were amongst the most influential. The visiting delegation included the French conductor and composer, Pierre Boulez; the designer Pierre Cardin; the mime, Marcel Marceau; and the actress,
Catherine Deneuve. These were prominent public personalities who were willing to lend the weight of their names to the Concorde cause. The embassy urged Carter to meet with the group, in light of the importance of the issue, and the current strained public opinion in France. Yet curiously, just 24 hours later, the same US Embassy informed the White House that “Radio-France has cancelled the visit to the U.S. of French citizens in support of Concorde,” without any further explanation.  

Giscard d’Estaing’s Gaelic rancor was beginning to ruffle a few too many feathers in New York. On 7 April 1977, Carter received an impassioned letter from New York State Senator John Cammerer, complaining bitterly about the French President and asking for Carter’s direct intervention. “I am extremely disturbed at the intolerable tactics being used by French President Valery Giscard d’Estaing to obtain landing rights for the Concorde SST at Kennedy International. In my opinion, they are unethical, morally incorrect and a direct assault on our nation’s system of free enterprise.” He claimed that the less than impeccable news source, the New York Daily News, reported threats of reprisals against individual members of the Port Authority, as well as the city, state and federal government. While Senator Cammerer recognized “the delicate international relationships that hang in the balance,” he suggested that while President Carter has “taken a ‘hands off’ posture, Mr. d’Estaing has taken his gloves off.” Cammerer also noted “the British to date have not made similar threats, perhaps because they close Heathrow Airport at night due to the jet noise

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103 White House Memorandum, 14 March 1977, RAC NLC-1-1-2-84-1, RAC Files, Jimmy Carter Library.  
The different styles between the French and the British are again in evidence, and the reference to Heathrow underlines another important distinction: while French support for Concorde seemed almost universal and unwavering, in England, the supersonic transport was increasingly coming under attack.

The British again started to spar over the next move by their cross-channel partners. Neither trusting the US legal system nor its political system, the French decided to take their case to the public. This time, the British themselves were divided. The French had retained the New York advertising firm of Isidore, Lefkowitz and Elgort to carry out a new public relations campaign that included both print and television media. In London, reaction was negative; “our initial reaction is that this is not the moment to embark on a whole new PR strategy. Moreover, the French may have overplayed their hand politically in Washington and New York …if they now embark on a similar course with the media and leaders of opinion, it may well prove detrimental to their interests and ours.”

The British Embassy in Washington disagreed. British Ambassador Ramsbotham noted, “we do not take as negative a view of the French proposal as do you … [we have] to try and build ourselves some kind of grass roots constituency in favor of Concorde … this is exactly the kind of campaign that the

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French have in mind.”¹⁰⁷ Of course it didn’t really matter whether the British agreed or disagreed; “the situation is that the French are already steaming ahead with the campaign.”¹⁰⁸

The French remained on the attack, notching up the pressure, this time directed at New York Governor Carey. Two French businessmen, former French Minister of Transport and currently Secretary-General of Air France Jean Didier Blanchet and French film producer Louis Dolivet met with the New York Governor on 7 April. Carey is reported to have advised, “That the companies have made the wrong kind of public relations approach … the real problem was a relatively small number of people living on Long Island … it would have been far better to have done a PR exercise done at them.” Further the Governor “felt very strongly that the airlines were mistaken in pursuing their court case.”¹⁰⁹ The French were taking the bait; the British didn’t buy it. “It would be dangerous to rely on Governor Carey’s goodwill,” counseled Brian Bender, and he recalled that the French had always wanted to delay a court hearing, likely being overly receptive to Carey’s comments.¹¹⁰

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¹⁰⁷ UK National Archives, PREM 16/1160, Telex from British Ambassador Ramsbotham to Foreign Office in London, 1 April 1977.
¹⁰⁸ UK National Archives, PREM 16/1160, Telex from British Consul-General Booth to London Foreign Office, 1 April 1977.
¹⁰⁹ UK National Archives, PREM 16/1160, Letter from Tom McNally to Patrick Wright 24 March 1977.
¹¹⁰ UK National Archives, PREM 16/1160, Letter from Brian Bender to Patrick Wright, 28 March 1977.
On 9 May, Carter would head over to Europe for a multi-national economic conference. Initial plans had been discussed during Callaghan’s March visit, and while the global economy was high on the agenda, Concorde was sure to raise its incessant itch. In preparing Carter for the Economic Summit, Concorde was mentioned a number of times. A briefing memo from Brzezinski to Carter notes again the disruption that can be expected from the French. “Two particular factors that will affect the French mood at the summit are
the Concorde situation and the upcoming French National Assembly elections. A favorable resolution of the landing rights controversy would put the French into a more cooperative mood … the election issue may be more crucial. Because the Socialist/Communist coalition now has an excellent chance of winning, Giscard would like to milk some political capital from the summit while at all costs avoiding the impression of bowing to US pressure.”

Giscard d’Estaing had a real problem in France, and Concorde was one more irritant. Carter could expect little in the way of support from the French President with regard to trade talks unless Concorde was able to land.

Ironically, France’s partner across the channel was undermining the French at the same time. In another briefing memo, Brzezinski warned Carter about a recent British study. “The British Noise Advisory Council has put out a report saying that 72% of Concorde takeoffs from London have had excessive noise, and recommended banning night flights. This will undoubtedly sink Concorde’s New York chances even deeper.” Nevertheless the British did feel that some progress was being made in New York. Crediting the French PR campaign that London had originally questioned, Bender felt, “Our public relations activities appear to have gone a good way to meeting Governor Carey’s suggestions [of taking the campaign to the public].” But the British still viewed the avenue of opportunity to be the court case and linkage to the continuing Bermuda II negotiations; “we have therefore considered it essential to pursue the legal action as well as raising the question of Concorde

111 Memorandum from Brzezinski, 19 April 1977, RAC NLC-10-2-2-8-8, RAC Files, Jimmy Carter Library.
in the air service negotiations.” The British hoped that the United States would place enough importance on securing favorable terms in the new air services agreement that Concorde landing rights might be obtained.

The two-day G7 summit brought together leaders from Great Britain, France, Germany and the United States, along with Japan, Italy and Canada, and their agenda, by all reports did not include Concorde. But if the needle nosed transport was not on the G7’s official list of topics, it remained firmly in the public’s eye. The summit ran for two days, 8 to 9 May, and was followed by a face-to-face meeting between Giscard d’Estaing and Carter in London. Concorde was very much on that agenda. Only a day earlier, the French President once again did everything he could to destroy any equanimity that might still exist, when speaking on NBC radio. In that interview, Giscard d’Estaing railed against New York, noting that the Concorde should be allowed to land, “because the airport is on the sea, and the sea is crowded by fish – not by people.” One can imagine that he made few new friends among the schools of people living near Kennedy.

Brzezinski prepared Carter for the meeting with Giscard d’Estaing. He noted that “Giscard will also want to conduct most of his business with you at this bilateral; and of all your meetings with Western leaders this year, only the bilateral with Schmidt is as important in setting the course of relations with the United States.” Brzezinski warned Carter, “Concorde, for Giscard, is more than just a domestic issue of jobs – where he has escalated the debate far beyond the merits of the issue. It is seen by the French as part of ‘technological

113 Ibid.
imperialism,’ with France frozen out of aircraft markets.” He advised Carter to toe the same line that he had for months – the decision was not a federal one, but rather a local one.\footnote{Memorandum from Brzezinski to Carter, 9 May 1977, RAC NLC-4-1-5-11-9, RAC Files, Jimmy Carter Library.}

Secretary of State Cyrus Vance also lent advice to the President: “we want to demonstrate the importance we place on relations with France and the high regard in which we hold its President … Giscard’s priorities will be Africa, non-proliferation and Concorde.”\footnote{Memorandum from Vance to Carter, 9 May 1977, RAC NLC-4-1-5-11-9, RAC Files, Jimmy Carter Library.} While it is easy to overstate the importance of Concorde in foreign affairs, it is also important to note that in the mind of the French President, it ranked equally in the need for resolution, if not global impact, with affairs in Africa and the pursuit of non-proliferation treaties; those were foreign affairs of no small importance.

For Carter, the European summit was a personal triumph, if not one that resolved anything – including Concorde. Even though the Sunday Times of London characterized the president as, “his countenance, unsmiling, resembles that of an intelligent gun dog,”\footnote{Charles Mohr, “Carter’s Act Plays Well in London,” New York Times, 9 May 1977.} all other accounts report that Carter left a favorable impression. In France, the independent paper Le Monde suggested in a front-page editorial, “Could it be a new Kennedy the Europeans discovered at the London summit in the person of Mr. Carter?” In Italy, the Communist party newspaper L’Unita noted, “Above all, Carter is proposing a real consultation among partners … the new element is that the man heading the United States is aware of the necessity of being credible. There is an awareness of the end of American hegemony.” And in the London Times, “Mr. Carter demonstrated that he is not another...
President with a grand design to impose on lesser allies. He recognized … that European parliaments can be as difficult as Congress – well nearly as difficult.”118

While cooler heads were prevailing in Europe, New York did everything it could to stir the pot. On 9 May, just hours after Carter met with Giscard d’Estaing, a U. S. district court in New York issued an opinion on the lawsuit by British and French plaintiffs. In its finding, the court ruled that the Federal government had the right to order limited flights in New York, and the Port Authority had no right to interfere with this decision. Of course, the French had been arguing precisely this for over a year – that international treaties held sway over local ordinances. But the Port Authority was winning, even when it was losing. At the point in time when the court had issued its opinion, 12 of the 16-month evaluation period had passed, and an anticipated appeal would likely eat up the remaining four months. So while the French and British may have won the battle, they were still losing the war. A White House nightly report summarized some of the mixed reaction in France. “Le Figaro warned that the matter might still go to the Supreme Court and that at best this was only a prestige win … Le Marin de Paris said that in the whole affair the U. S. ‘did not convey a flattering image of itself. It was hard to believe that the land of free enterprise could show itself so protectionist under pressure from a small lobby.”119

In New York, the mood was somber. Judge Milton Pollack had overturned the ban, and his justification should sound familiar to anyone familiar with the age-old debate between a strong central government and states’ rights. In his ruling, Judge Pollack noted it

119 Evening Notes for Dr. Brzezinski, 12 May 1977, RAC NLC-1-2-3-16-8, RAC Files, Jimmy Carter Library.
was “a straight-forward question of Federal supremacy,” invoking the Supremacy Clause of the Constitution. He argued the Port Authority’s ban “is in irreconcilable conflict with the Federal examination of the question and the Federal orders thereon, and the resolution [Port Authority ban] must give way under the Supremacy Clause of the Constitution.”120 In many ways, this decision called into question Carter’s entire justification for avoiding any direct intervention. Carter, or at least those advising him, had argued it was entirely a local matter over which the Federal government had no jurisdiction. The European allies – and particularly the French – remained highly skeptical of this position. And then a Federal judge determined precisely the opposite of what the Carter administration had long contended – it was a Federal matter and not one subject to local jurisdiction. Was the Carter administration simply posturing, hoping the decision would fall elsewhere; were they simply misinformed; or was it a politically wise stance, given a new southern President and the sensitivity of states’ rights and the separation of powers? Perhaps it was best to leave it to the courts.

British officials never reacted to the ruling publicly, but in a private capacity, they drew some cause for hope. Brian Bender, in a letter to the Prime Minister’s office, noted “the grounds for his decision are based on the conflict between Federal and State or local powers; he has concluded that the Federal decision prevails,” but also notes that Pollack “has not considered at all the treaty arguments based on our Air Services Agreement [Bermuda I].”121 The British remained optimistic that even if the Port Authority appealed the decisions, which it most assuredly would do, that the airlines would be allowed to commence flights during

121 UK National Archives, PREM 16/1494, Letter from Brian Bender to Patrick Wright, 11 May 1977.
the appeals process. Air France and British Airways anticipated starting twice daily
Concorde flights into New York Kennedy on 20 June. For some it was heights of jubilation;
for others, such as those living around Kennedy International Airport, it was the depths of
despair – although not for long.

The Summer Solstice: The Calm Before The Storm

The Port Authority appealed the Court ruling, and a temporary stay was issued,
further delaying the startup of Concorde operations in New York. The Carter administration
seemed to be nearing the end of its patience and made its first direct intervention into the
case. Carter received a direct appeal from New York Congressman Joseph Addabbo
(Democrat); “A week ago I sent a telegram to you urging that you issue an Executive Order,
which would ban the landing of Concorde at John F. Kennedy International Airport in New
York … in view of the decision by Federal Judge Milton Pollack last week … my request to
you becomes all the more important … [I] urge you to act in the proper interests of a large
number of citizens … whose lives, health and peace of mind will be torn asunder if this plane
is allowed to utilize John F. Kennedy Airport.”122 Carter replied personally to Addabbo,
saying, “A brief has been filed by the Justice Department this afternoon in New York … this
[the brief] is consistent with the position which my Administration has taken in the past.”123

An amicus curiae brief is filed by a party not part of the law suit, and in most cases, is filed

9/30/1977” folder, Box CA-2, WHCF-Subject File, Jimmy Carter Library.
9/30/1977” folder, Box CA-2, WHCF-Subject File, Jimmy Carter Library.
by the Federal government in cases of public interest; it is also generally filed only upon an appeal, which is why Carter and the Judiciary had waited until June to make its position known. This exchange of letters highlights the constant struggle between local and Federal authority. While local opposition was winning the day in New York, everyone there wanted the Federal government’s position held in abeyance. But as soon the tables had turned, local politicians asked the Federal government to get involved; Addabbo would be disappointed by the government’s legal response.

On 6 June, the Federal government filed a legal brief with the U. S. Court of Appeals for the Second Circuit. In the brief, the government said, “The United States believes that the authority’s ban on Concorde test flights at Kennedy Airport is unfortunate and ill-advised.” It further concluded “the refusal of the Port Authority to make a determination on Concorde’s acceptability becomes even more unreasonable and offensive in view of the latest efforts by the airlines to satisfy the agency’s noise concerns.”

Why did the administration suddenly break its official vow of noninterference? Was Carter bowing to pressure from Giscard d’Estaing and the French press? Was the immediacy of the Bermuda agreement pressuring the administration into taking a stronger stance? While the latter may certainly have been true, given the timing, the court had actually forced the administration’s hand. In accepting the appeal from the Port Authority, the three-judge panel had posed three specific questions to the Federal government, and the administration answered them in its brief. On 14 June the Court of Appeals insured that the debate would continue; it overturned the lower court ruling.

and upheld the ban on Concorde landings by the Port Authority. For the moment, local authority trumped the Supremacy Clause.

The record is incomplete on whether Carter and the Justice Department filed the brief on their own accord, or whether pressure from Britain and France played a part. Certainly there was pressure within Great Britain to get Callaghan to intercede again with the US President and pressure him to be more active. Robert Adley, Member of Parliament from Christchurch, wrote to Callaghan on 14 May 1977. Adley represented the Parliamentary Concorde Group, four Members of Parliament closely monitoring the situation in New York, and kept in close contact with a similar group in Paris, the French Parliamentary Concorde Groups. He urged the Prime Minister “to be more forthcoming on the Concorde issue.”

Given Pollack’s ruling that Federal treaties trump local concerns, “is it not reasonable that President comes out openly in support of his country’s clear treaty obligations? … If he [Carter] continues to refuse to accept the Federal responsibility for upholding treaty obligations, which should be incumbent on his office as President, we must surely construe this as a positive, unfriendly act towards Britain and France … We have heard the President’s fine words: may we now see these translated into deed?”

Edmund Dell responded for the Prime Minister a few days later, taking the view that given the US appeals process, it was unlikely to be an appropriate time for either Callaghan or Carter to intercede. Dell did assure

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125 UK National Archives, PREM 16/1494, Letter MP Robert Adley to Prime Minister James Callaghan, 14 May 1977.
Adley that “we are pressing our legal case strongly and intend to stand upon our treaty rights, should this be necessary.”

At this juncture, it is time to let the appeals process in New York run its course, and turn our attention to another fissure in US – British relations, the re-negotiation of the Civil Air Services Agreement between the two countries, Bermuda I. Concurrent with the Concorde debate were the protracted negotiations to come up with a new agreement between the two countries, governing the exchange of commercial air services between the United States and Great Britain. Nor was the Concorde debate entirely separate; as we will see, Concorde was one of the bargaining chips that the British would use to get the most they could from the new agreement. In the next chapter, we look closely at the negotiations between the two countries that would result in Bermuda II, and the intervention once again of the two chief executives. We will return to the Concorde story, once Bermuda II has been signed.

126 UK National Archives, PREM 16/1494, Letter from Edmund Dell to Robert Adley, 1 June 1977.
CHAPTER THREE: DEVELOPMENT – BERMUDA II

Whenever competition is feasible it is, for all its imperfections, superior to regulation as a means of serving the public interest.

— Alfred Kahn, airline economist & Chairman of the Civil Aeronautics Board.

It was only when dealing with Russians that one expected to see the Americans threaten or undertake withdrawals of delegations.

— Peter Edward Ramsbotham, 3rd, British Ambassador to the United States

June 21, 1977 marked the beginning of summer, the onset of fine weather in both the United States and Great Britain, and the beginning of peak summer travel to Europe. As the early evening hours tempered the warm temperatures of mid day, thousands of travelers began to converge on Pan Am’s new WorldPort terminal at New York’s John F. Kennedy International Airport, checking bags, exchanging currency and locating departure lounges for Pan Am’s three Jet Clipper departures to London’s Heathrow International. Across JFK’s expansive terminal complex, a similar scene was taking place in the famous TWA Terminal designed by renowned architect Eero Saarinen. Shaped to resemble a bird in flight, travelers assembled under its outstretched wings for TWA’s nightly Starstream 747 services to London. Similar scenes were taking place at the British Airways and Laker terminals in New York, as well as at Boston’s Logan Airport. By ten in the evening all the four engine Boeing and Vicker transports were in flight, commencing their seven hour water crossings to London, while simultaneously, another group of passengers holding tickets for the following

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1 In the development section, using rondo form, we hear the second theme, in this example the case study of the Bermuda II Bilateral air agreement. In classic form, with an A-B-A structure, this is the “B” theme. Both themes are always related. In fact, the second is often reminiscent of the first. Bermuda II encapsulates all the elements of Concorde, our “A” theme, that were important to the British.
evening’s departures was starting the ritual of packing, gathering travel documents, and preparing for an international journey, which in 1977 still held a certain allure and aura of anticipation. Unbeknownst to this second group, in all likelihood, they would never land in London the following morning, for as the clock crept closer to midnight, the Bermuda bilateral air agreement between the United States and Great Britain was about to expire, and the air carriers were scrambling to find alternate destinations for the flights of 22 June 1977; passengers looking forward to an early morning arrival in the city of Johnson, Dickens and Shakespeare were about to find themselves in Paris, Amsterdam and Brussels instead. As the midnight deadline approached, the Carter administration found itself embroiled in yet another foreign policy dispute.

In the United States, all domestic air travel was controlled and regulated by the Civil Aeronautics Board. But international air transport was the jurisdiction of the president. While the Civil Aeronautics Board could submit a recommendation, the president was under no obligation to accept it. Even more directly, presidential prerogative extended to selecting the actual carriers designated to fly each international route as well as the cities that would receive service from multiple carriers; for most presidents, these were highly politicized decisions. Carter’s first test in this arena would be the renegotiation of the bilateral agreement between the US and Great Britain. The original agreement had been signed in 1946, and was known as Bermuda I, named after the location of its signing; the new agreement would become known as Bermuda II.
To understand the Bermuda II negotiations, one again needs context and background. The requirement for a Bermuda II agreement came about after the British decided to let the original Bermuda bilateral agreement lapse. Bermuda I was a historic agreement that had its roots in a drama that started during World War II and played itself out during and immediately after the war. In looking at the original agreement, we can identify continuities in the positions of both countries that fed the Bermuda II negotiations.

**Post War Planning and Bermuda I**

![Timeline - Post War Planning and Bermuda I](image-url)
The War Years: Preparing the Air for Post-War Air Services

Even though the war was still raging, the Allies were planning for a post-war world that would accommodate new and innovative technologies that were blossoming, due in part to the war itself. And no technology was changing more rapidly than air transportation. The Allies recognized that advances made in aircraft design and engine propulsion were about to revolutionize the movement of goods and people around the world. No market was of more importance than the North Atlantic. By 1942, all the trading partners involved were already trying to figure out how to protect their own interests and sovereignty. Would new and innovative agreements between countries be useful, or would they resurrect the former protectionist instincts that had lay dormant during the years when the United States and Great Britain had dominated world markets?

Great Britain saw itself as severely disadvantaged in any negotiations with the United States over air rights. First, as a result of the Second World War, Great Britain had borne the brunt of physical damage to its infrastructure when compared to the United States. More importantly, Britain saw itself at a manufacturing disadvantage due to the division of aircraft production between the United States and Great Britain during the war: England had focused its industries on fighter production, while the United States took on production of heavy transports, such as long-range bombers, in addition to fighter aircraft. Once the war was over, it was a much easier tooling change to go from heavy transports to commercial airliners, than from fighters to commercial transports. Consequently Great Britain saw itself short of
manufacturing resources and short of commercial transports. Speaking to the House of Lords on 10 May 1944, Lord Beaverbrook, Lord Privy Seal in the government of Winston Churchill, noted “that the United States has a long lead over us in air transport” and while the British decision to focus design and production on fighters was “an admirable division of responsibility for war purposes, [it] plainly conferred on the United States advantages in post-war manufacture for the civil aviation market.”²

In an effort to level the playing field, in 1945 the United States agreed to provide Great Britain with a number of civil airliners “on loan.” Lord Beaverbrook announced that he had received assurance “that the United States was prepared to make transport aircraft available to Britain … on a non-discrimination basis.”³ Even though the Americans would make every attempt to provide transports to England while the British rebuilt their own industry, the British still saw themselves as the underdogs in these negotiations.

Nor could the issue of security be ignored. Even though the end of World War II would place significant restrictions on axis commercial interests, the British were less than keen on allowing aircraft from previously hostile powers, such as Germany, or potentially hostile powers, such as the Soviet Union, to enter its air space or land at its airports. Historian Virginia Little notes that “Britain has always faced a very practical dilemma: the entry of foreign aircraft into British airspace might well imperil her national security, while foreign restrictions on British aircraft entering foreign territory could at the same time limit British

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³ “Letter to the Editor,” by Lord Winster, Times (London), 31 May 1944.
airborne world commerce.” The issue of security did not go away with the end of the Second World War. The Cold War brought increased concerns, particularly regarding Soviet aircraft operating into Great Britain. Unlike Western airliners, Soviet airliners had a clear nose dome on many of their operating types, and the British, as well as the rest of NATO, were convinced these aircraft served the dual purposes of transporting passengers and taking surveillance pictures during takeoff and landing.

Britain did have one significant card to play: while the United States may have owned the majority of aircraft needed to transport people, Britain owned the ports of access. No country on earth had more territory under its control through its colonial holdings, and consequently it controlled access to many of the most desirable destinations. It was to become an almost classic Russian standoff, with the United States controlling the aircraft, and the British controlling the airports. The words of Fiorello LaGuardia echoed the British position: “it was pointless to make arrangements for airfields [to fly into in other countries] if you had no planes which could fly into them.”

The United States would try to steer a path between the high ground of free trade, openness and multilateralism, and concern for its own national security. On the whole, the United States wanted to open up air transportation with few restrictions. It is easy to embrace free trade once you control the means of production as well as the vast amount of resources. Coming out of the war, with regard to civil air transportation, the United States had no one to fear, which made it easy for the U.S. delegation to look to the Bermuda talks for liberalized

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5 Memorandum by Adolf A. Berle, 26 November 1944, Berle, *Navigating the Rapids*, 504.
rights of access. The United States had the most developed aircraft industries, had suffered virtually no infrastructure damage, had seen its technical prowess increase geometrically, had the most aircraft ready to fly, and an airline industry better developed than anyone else. There was little threat to U.S. interests in free trade, and one could argue that United States’ interests were best protected by an open policy of multilateral access.

From 3 April 1944 to 7 April 1944, Adolf E. Berle, US Assistant Secretary of State, and Lord Beaverbrook, acting as chief negotiators for their respective countries, met in London. The London Times noted that from the outset, they were “exploratory talks … not designed to result in immediate decisions, but rather in the nature of an informal and preliminary exchange of views on a matter of great complexity.” There were a number of issues under discussion, all of which centered upon post-war regulation, or deregulation, of air transport. A major issue was the British desire for an international regulatory agency to set quotas, rates and frequencies for all international air operations, otherwise known as “internationalization.” This agency would provide economic “protection” for countries that were at a disadvantage against economically stronger countries, notably the United States. Not surprisingly, the United States did not agree to support the creation of such an agency. In fact, this one issue would dog all negotiations for the rest of the year.

6 Deregulation: At the time of President Carter’s inauguration, the Civil Aeronautics Board strictly regulated the domestic airline industry. Every fare, every city that an airline served, and every route that an airline wanted to fly had to be approved. Jimmy Carter was committed to eliminating these restrictions and letting market forces dictate fares and routes. Carter successfully deregulated the domestic airline industry in 1978, a year after Bermuda II was signed.
The New York Times reported that observers of the meetings “saw signs of an impasse on the major differences. It seemed likely that Britons, using their Empire bases as a trading point, were continuing to demand strong international control,” and that “self interest and self-defense has resulted in a good deal of jockeying.” Berle was criticized in the press for the lack of an agreement when he returned to Washington, and he defended the talks as having been preliminary and exploratory. One journalist noted that the conference “had not produced one line worth printing in anyone’s newspapers.” In spite of that assessment, both the New York Times and the London Times did write quite a bit about the inconclusive meetings. Perhaps the most promising thing to come out of them was the determination to call an international conference later in the year. This would be the Chicago Convention of November 1944.

The Times of London provided an interesting perspective on the divergence of positions. It asserted that one of the fundamental differences was how the two sides viewed the airplane. “In the United States the aeroplane was regarded as a vehicle of trade; in this country [Britain] it seemed to be regarded as an evil thing which must be controlled lest it spew out death and destruction.” This seems, at best, a populist view of things, for there were never any indications that Beaverbrook and the British government undervalued the importance of air transportation in trade, and its value was the reason for the dispute. Nonetheless, British sensibilities were certainly different, for while American households never ran to air raid shelters during nighttime bombing runs, British citizens had had little

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9 “Future of Civil Aviation,” Times (London), 10 April 1944.
opportunity to see anything other than the destructive nature of airplanes. So while London was looking for protection from competition, it is not unreasonable to see the British populace looking for protection from the airplane itself.

On September 11, 1944 the United States government extended an invitation to fifty-four countries to attend an International Civil Aviation Conference in Chicago, Illinois, commencing on November 1st, noting the “approaching defeat of Germany, and the consequent liberation of great parts of Europe and Africa from military interruption of traffic, sets up the urgent need for establishing an international civil air service pattern on a provisional basis at least, so that all important trade and population areas of the world may obtain the benefits of air transportation as soon as possible, and so that the restorative processes of prompt communication may be available to assist in returning great areas to processes of peace.” Of the fifty-four countries invited, fifty-three accepted, with the notable exception being the Soviet Union.

On the second day of the conference, Adolf Berle summarized the American view in support of open competition, concluding with a clear reference to British tactics two hundred years earlier: “No greater tragedy could befall the world than to repeat in the air the grim and bloody history which tormented the world some centuries ago when the denial of equal opportunity for intercourse made the sea a battleground instead of a highway.” The shadow of British protectionism was never too far removed. Two weeks into the discussions, Berle wrote a memorandum to Roosevelt and Hull recapping the American position, “This is the

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10 Invitation to the International Civil Aviation Conference, issued by the United States of America, as reported on the International Civil Aviation Organization, http://www.icao.int/cgi/goto_m.pl?/icao/en/chicago_conf/invitation.html (accessed on 31 March 2008).
Twentieth Century … In the air there is no excuse for an attempt to revive the Sixteenth and Seventeenth Century conceptions by which transportation pioneers first got exclusive concessions … in other words, there is no excuse for a modern air British East India Company.”

Things deteriorated to the extent that Churchill and Roosevelt had to get personally involved. On November 21, 1944 Roosevelt sent a letter to Churchill suggesting that the British insistence on quotas and regulation “seems to me a form of strangulation.” and then nine days later, another asking “would you like to see a world in which all ports were closed to all ships but their own or open to one foreign ship, perhaps two, if they carried only passengers and cargo bound all the way from Liverpool to Shanghai? Where would England be if shipping were subjected to such limitations? Where will it be if aviation is?” Roosevelt and Churchill’s involvement set precedent for what would continue to this day; diplomatic negotiations about commercial aviation would frequently require the attention of every Chief Executive involved.

The single most important achievement coming out of Chicago was definition of the “Five Freedoms,” the heart of all the forthcoming negotiations. In essence, these were very

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11Berle to Roosevelt and Hull, 18 November 1944, Berle, *Navigating the Rapids*, 501 - 502. The British East India Company held a virtual monopoly on all trade with India, as well as being the Imperial instrument of rule and colonization in that country.


13The First Freedom is the right to fly over the territory of another country, assuming permission has been received; this is also known as the "right of innocent passage." The Second Freedom was perhaps less contentious, as it gave an air carrier the right to make a technical stop in another country, for fueling or maintenance, without picking up or discharging passengers or cargo. The Third Freedom allows an airline to pick up traffic in its country of registry and to discharge it in another country. The Fourth Freedom allows an airline to pick up traffic in one country and discharge it in the company’s country of registry. The Third and Fourth Freedoms are at the heart of a bilateral air agreement. Throughout the 1940s, 1950s and 1960s, the bilateral agreement was at the heart of all commercial air transportation treaties between most countries. The Fifth Freedom was in every way the most contentious. It allowed a
tangible “rights” that one country would grant to another regarding reciprocal air transport. The five freedoms granted an airline the right to fly passengers from its national home to another country, the right to land at intermediate stops for technical reasons (i.e. refueling) and in some cases, to pick up on going travellers at these intermediate stops. While few countries would grant all five, they were the basis for all future negotiations. These principles and templates remained in place as the guiding principles for most air agreements, until the adoption of an “open skies,” market driven agreement in 2007.

The United States’ position of open, free competition was largely rooted in multilateralism and the fifth of these freedoms, which allowed an airline flying between two countries, the United States and West Germany, for example, to land at an intermediate waypoint - Great Britain - and pick up additional passengers in route for West Germany. Otherwise, the plane might land in Great Britain, discharge half of its passengers, and fly all those seats empty to its final destination in West Germany. This was a highly sought after and rarely granted authority. It formed the basis for US definitions of true competition in the international arena.

carrier to start a journey in its country of registry, complete it in a different country, and pick up and discharge passengers at intermediate stops in other countries along the way. For example, Pan American World Airways had an agreement with Germany to fly passengers between New York and Frankfurt. It also had an agreement with Great Britain to fly passengers from New York to London. For Pan American to consolidate these authorities onto one flight, and be able to pick up passengers in London, they needed Fifth Freedom rights. Otherwise they had to operate two separate flights. Fifth Freedom was the most sought after of the rights of passage, and until the 1980s, the least granted. Fifth Freedom helped fill seats on multi-stop international flights.

The first four freedoms provide the heart of protectionist doctrine, while the fifth freedom moves treaties forwards towards free trade and global commerce. But the acceptance of the Fifth Freedom, in essence the repudiation once again of protectionist doctrine, would take almost sixty years to gain momentum. See (Appendix for the actual 1944 document defining the Five Freedoms.)
The British position resolved around bilateral agreements that stipulated highly restrictive third, fourth and fifth freedoms unique to each country, and the never realized desire for strict regulation through internationalization. These two positions were never fully rationalized, and most countries left Chicago without any specific agreement. But there was agreement on the global applicability of the first two freedoms, and a convention was drafted and signed by all attending parties attesting to the right of the first and second freedom. The United States did get a draft agreement of the five freedoms for future consideration. The British did not get their international agency to control air transport between borders, but they did get the agreement to form the Provisional International Civil Aviation Organization as an advisory and mediation organization. So while no one got exactly what they wanted, no one walked away entirely empty handed.

*The New York Times* summarized the conference as one where “old economic rivalries and national interests were still potent factors” and observed that the conference fell “far short of the goal it had set for itself” and “on the more vital economic problems agreement had been impossible.” Berle noted that progress had been made, for before the conference “certain air companies had obtained extremely limited concessions permitting them to fly through and land in other countries through a system of concessions, like the old trading concessions of the colonial companies centuries ago. The world was well on the way towards building a few big air companies not unlike the British East India Company.” Berle clearly invoked not only the protectionist ideals of the British, but also issued a rebuke to Pan American Airways who had the most to lose with liberalization. In his closing remarks to the

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conference, Berle thanked everyone for their work, noting, “history will approach the work of this conference with respect. It has achieved a notable victory for civilization. It has begun to put an end to the era of anarchy in the air.”

In spite of almost two years of joint planning for the conference, once it failed to achieve its goals, Winston Churchill would write to President Roosevelt that “he always felt that these discussions were premature and throw too heavy a burden on our minds at a time when so many anxieties of war weigh down on us.”

The Post-War Years: Bermuda I

Immediately following the conference, a number of bilateral agreements were signed. The most historically significant was the Bermuda Agreement of February 1946. This was the bilateral agreement between the United States and Great Britain. If the Chicago conference provided the template, then Bermuda was the model for aviation agreements to come. After all the posturing and bombast in Chicago, the positions of both parties softened significantly. In Chicago, delegates argued about the theoretical impact of international air transport, while in Bermuda, the two sides dealt with the practical application of the Chicago principles, the Five Freedoms. The Bermuda agreement is relatively terse, setting out the rights of carriage for US and British airlines. A British concession allowing US carriers to

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pick up traffic in London provided Pan American the necessary authority to commence round-the-world operations in June 1946. Additional Fifth Freedom rites allowed US carriers to enplane passengers in London bound for cities in Belgium, France and Scandinavia. Great Britain had long lost the battle for internationalization, and also gave up its demand for an international agency that regulated frequency and capacity. The United States, in turn, agreed to rate regulation, which set off a furor in the US Senate. In a hearing before congress, L. Welch Pogue, Chairman of the Civil Aeronautics Board, justified the action; “in order to get agreement it was essential to recognize the sovereign right of the United Kingdom thus to control access to its market.” Without rate regulation there would have been no Bermuda agreement. Tariff control is a key aspect of protectionism, and was a significant aspect of protectionist doctrine such as the 1763 Navigation Acts; rate control became the modern day equivalent in Bermuda I. While Great Britain gave up limiting the number of seats that flew into the country, rate control would enable it to control demand, which would dictate supply. Senator John L. McClellan, Democrat from Arkansas, argued against the agreement, pointing out that the United States had given a great deal and gotten little in return: “the United States … had granted to the United Kingdom unrestricted access to those parts of the world [the United States] wherein originated 80 per cent of the of the

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19 Capacity: In the context of this paper, the total number of seats available for sale by a given airline on a given route
global air traffic, and got in return only unrestricted access to regions that furnished only 20 per cent of such traffic.”²⁰

The British negotiators felt they had made most of the compromises, and they feared equal difficulty in getting the agreement through Parliament. But in fact, both governments ratified the agreement on 11 February 1946, and it would stand, with occasional amendment, for thirty years, until the British announced that they would let it lapse in June 1977. Although the agreement did not specifically regulate the capacity and frequency of flights, protection in the form of a limited number of airlines and strict regulation of rates and tariffs continued throughout the duration of Bermuda I to be the basis for bilateral air services. The feeling of having given too much and received too little by both sides ultimately fueled the decision to repudiate the original Bermuda agreement, and led to the US – United Kingdom negotiations that follow. Bermuda I failed to anticipate and accommodate the rapid growth in international travel. As new US carriers started operations, they saw increased profit potential in the routes between the United States and Great Britain, yet were kept out by the restrictive nature of Bermuda I. At the same time, British carriers, operating under far less efficient business practices and government subsidies, felt themselves under siege by US carriers, and looked for even greater protection. Finally, the United States was embarking on a wave of domestic deregulation while Great Britain still retained a policy of nationalized industries. It was now up to President Jimmy Carter and his team to negotiate a new agreement that would better accommodate the needs of both countries.

On 21 June 1976, Great Britain had served the Ford administration notice of its intent to let the Bermuda Agreement expire in one year. The British were feeling the effects of competition and determined that a more favorable agreement was needed. Edmund Dell, Secretary of State for Foreign and Commonwealth Affairs, issued a memorandum, explaining British actions, in April 1976. He noted that the original agreement “has turned out to be a poor bargain for this country … all our attempts at piecemeal improvements are resisted by the Americans and we have now reached the limit of what can be achieved within the existing framework. We therefore need to make a fresh start.”

Dell noted that in 1975, on routes between the United States and Great Britain, US airlines earned approximately 280 million pounds sterling, while British carriers earned only 120M pounds sterling. Dell concludes that “the agreement was the earliest negotiated and much of the wording has proven ambiguous. This gives rise to friction and dispute.”

Not everyone in London was as convinced of the British position as was Dell. Roy Hattersley, Secretary of State for Prices and Consumer Protection, in a memorandum to Dell, wrote, “but our judgment here is that our negotiating position is not so strong that we can afford to risk substantially reducing American goodwill at the outset by what they would regard as a provocation.” Hattersley went on to note that renegotiating Bermuda is about more than just a treaty; “we … would also want to look at such action in the wider context of our relationship with the US government as a whole. There are many issues between us. It is not easy to make a precise assessment on gains and losses in different sectors. But I would

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22 Ibid.
not wish to see our boats burnt in one sector without thinking very carefully about the possible resultant danger to our interests in other sectors.” 23 Dell decided to stick to his guns, responding to Hattersley two weeks later; “Furthermore I must emphasize that the US themselves have no hesitation in breaking or ignoring the Bermuda Agreement when it suits them … we have a most unsatisfactory situation.” 24

The British decided to test the waters early on. They entered into capacity negotiations with the United States for the 1976 / 1977 winter travel period, which was still covered by Bermuda I. They walked away with a win, which led them to conclude that taking a hard nosed stand in the renegotiation process would lead to further success. “This [capacity] agreement … has an important bearing on the conduct, and I trust the result, of our current renegotiation of the ‘Bermuda’ Air Services Agreement. We have a great deal to gain in this renegotiation and the moral of the struggle we have had over this winter’s capacity is that we shall only succeed if we are prepared to stand firm in the face of American pressure.” 25

With a population of 220 million people in 1977 26, the United States originated a significantly larger number of travellers between the two countries than did Great Britain, with a population of only 56 million. 27 Ideally, the United States wanted no controls on rates and capacities, but at a minimum, based upon its larger population, the right to fly a greater

percentage of seats by US airlines between the two countries. The majority of travellers originating in one country will typically fly on an airline of that country. US citizens preferred to fly on either Pan American or TWA, but were often forced to fly on British Airways or British Caledonian for lack on seats on the US airlines. The United States argue that up to 65% of all seats between the two countries should be on US planes. The United States also wanted the right for more airlines to operate between the two countries and the right to originate flights in more gateway cities. Finally, the United States wanted to include the Fifth Freedom right to pick up passengers in Great Britain and fly them to onward destinations. The British, on the other hand, wanted to control capacity and continue to allow each country’s airlines to fly the same number of seats over each route, 50% for the US and 50% for British carriers. They wanted to continue restricting the number of gateway cities in the United States and to restrict the number of airlines. Where Bermuda I had permitted two carriers from each country to fly between selected cities (New York and Boston to London, for example), the British hoped to reduced that to just one carrier from each country. And finally, they wanted the right to pick up passengers in one US city and fly them to another US city - Fifth Freedom within the same country, something never anticipated in the original Bermuda agreement. In essence, because they had fewer people, fewer gateway cities and fewer airlines, the British looked to regulation rather than the free market to protect their flag carriers. Neither side would get everything it wanted, but Bermuda II would attempt to provide a compromise solution for both the United States and Great Britain.
The Road to Bermuda II

Bermuda II: The Opening Round - January to April 1977

Little had been accomplished during the seven months that passed since the British notification and Carter taking office, and the deadline loomed. A memorandum to President Carter from Secretary of Transportation Brock Adams, dated 3 February 1977, alerted the president that “the lack of progress to date, plus the lack of an effective U.S. spokesman, raise questions as to how well the U.S. is organized to deal with this important task … as a result, with sixty percent of the time gone (the existing agreement expires on June 21, 1977)
the U.S. and the U.K. are no closer than they were at the beginning to agreement on the major issues." The problem, Adams believed, was the lack of a dedicated team. In the same memo he noted that the British had a strong, dedicated team while the US delegation consisted of part time members from different agencies – State, Transportation, Civil Aeronautics Board and Commerce - and no strong leadership. As a result, Adams noted, “the British have taken and held the offensive in the negotiations.”

Two days later in London, British Prime Minister James Callaghan questioned Edmund Dell on the British perspective. Dell responded, saying “that there would be an unpleasant war with the United States over the aviation agreement … and it may be that the Prime Minister would need to intervene with President Carter in order that we might realize our advantages.” Callaghan noted that “should he perhaps warn President Carter of this and Mr. Dell agreed.”

Within a week, the Carter administration reacted by designating strong leadership and giving that person significant authority and rank. Jack Watson, presidential advisor and future Chief of Staff, suggested that Alan Boyd, the first US Secretary of Transportation under Lyndon Johnson, head the delegation. He noted, “Since anyone with previous airline experience would have a conflict of interest, an able negotiator should be the prime requirement.” Watson further recommended that Boyd be named special Ambassador, providing him with both the tools to do the job and the title to take back the offensive. Frank

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29 Ibid.
30 UK National Archives, PREM 16/1169, “Discussion with the Secretary of State for Trade,” extract of conversation between Edmund Dell and James Callaghan, 9 February 1977.
Ortiz, executive secretary of the Department of State in early 1977, noted that the State Department “endorse[d] the appointment of a high level negotiator … because it will benefit U.S. interests by lifting the negotiations out of the very narrow aviation context to which the British have attempted to limit them.” On 10 February, Alan Boyd received a personal letter from Jimmy Carter, noting “it gives me pleasure to designate you my Special Representative, with the personal rank of Ambassador, to head the United States Delegation at the negotiations which will begin in London on February 28, 1977.” Carter had his dedicated negotiator; the US delegation had leadership and direction; and the US and British were prepared to do battle.

Callaghan and Carter were to meet for the first time in Washington on 10 March 1977. Before his trip Callaghan was briefed on the Bermuda II situation by Dell, who counseled that the two main issues that the British desired were capacity controls – which could result in fewer seats and higher fares – and attempts to let British Airways operate flights wholly within the United States in compensation for US airlines being able to carry traffic from London to the rest of the world. Both issues were opposed by the Americans. Dell certainly did not anticipate that Carter would easily acquiesce, and he suggested a strategy: “at your meeting with the President you would complain about the way the American side has conducted negotiations so far; say that your [sic] heartily wish to avoid a situation in which the negotiation damages our wider US/UK relations and urge the President

33 Memo, President Carter to Alan Boyd, 2/10/1977, “CO 167 1/20/77 – 2/28/78” folder, Box CO-64, WHCF-Subject File, Jimmy Carter Library.
to give instructions to his negotiators to move towards us so that a mutually acceptable agreement can be reached without a public slanging match.”

Dell did not suggest that the British might move closer to the US position. Dell also warned that Callaghan should be aware that “Concorde is another complication” which Carter could bring up in conversation and that Callaghan “might also stress the need for a better atmosphere in the negotiations and for both of us now to negotiate meaningfully.”

The meeting between the president and the prime minister started in grand fashion. Carter hosted a State Dinner on 10 March 1997 that featured a very British menu: Roast Rib of Beef, Yorkshire pudding, Stilton Cheese and fresh Strawberries – one sure to please the British prime minister. Entertainment was provided by the young American tenor Robert White and the American mezzo-soprano Jan de Gaetani featuring turn-of-the-century American songs, as well as the US Marine Band and the US Army Strings. By comparison, Prime Minister Fukuda of Japan’s State Dinner included only a small string quartet. Carter was looking to make a positive impression on his ally.

The talks themselves were far ranging, and the discussion of Bermuda II somewhat abbreviated due to Carter’s lack of preparation. In a British summary of the meeting, Callaghan is recorded as saying “it was difficult for us to move [from our current negotiating position] because we regarded the present agreement as so much to our [British] disadvantage. Nevertheless a failure to reach a new agreement could have the most serious

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35 Ibid.
consequences for the Anglo-United States relations over a very wide field … he thought that at some stage the President and himself might have to play some direct part in the negotiations.”\textsuperscript{37} Callaghan hoped that negotiators on both sides would “adopt a more flexible approach.”\textsuperscript{38} Suggesting that Carter did not realize the immediate importance of these negotiations, the same report notes “The President replied that he was not properly briefed on the this matter but that he would now look at it in depth in light of the Prime Minister’s comments.”\textsuperscript{39}

Negotiations in Washington did not go well. The same issues that stalled negotiations during the prior months continued to plague Boyd and his team. The Ambassador returned from London so pessimistic that Assistant Secretary of Transportation Chester Davenport, who was part of the London negotiations, reported “Ambassador Boyd believes it is essential to make contingent plans for the possible cessation of U. S. airline services at the date of termination of the agreement on June 22, 1977.”\textsuperscript{40} The specter of terminating air services between the United States and Great Britain – primarily between New York and London – was not trivial. This was the most coveted and lucrative international air route, and thousands of travelers crossed the Atlantic via it every day. To stop service would not only inconvenience travelers, but also cause significant financial losses to the airline, tourism and

\begin{footnotes}
\item[37] UK National Archives, PREM 16/1169, “Air Services Agreement,” summary brief of the meeting between President Carter and Prime Minister Callaghan, 11 March 1977.
\item[38] Ibid.
\item[39] Ibid.
\end{footnotes}
financial industries; it would delay time critical freight and financial instruments; and it would further harden already disparate positions.

Another round of negotiations was held in Washington in early April; the British assessment of those talks was similar to the US assessment a month earlier. In a British Embassy dispatch from Washington to London, it was noted that Alan Boyd stated “that the U. S. were not playing for time as perhaps they might have been on earlier occasions … he expressed to Shovelton [lead British negotiator] the internal difficulties he was having. He said that the U.S. could in no circumstances buy 50/50 [capacity restrictions] – that was fundamental.”

"Things were at a standoff, and fundamental issues were at stake.

One of the issues that the British refused to budge on at first, and one about which they were misinformed, was Concorde. The US/UK negotiations over Concorde intruded directly into the Bermuda II negotiations. In late April, the British Embassy in Washington noted, “the [US] State Department … maintain there is no breach of the Bermuda Agreement [in restricting Concorde’s landing rights] and that the P. N. Y. A. [Port of New York Authority] is acting entirely within its rights.”

But Concorde continued to cast its shadow over the negotiations till the very end.

Other substantive issues at the heart of the deadlock dealt with Great Britain’s perception of an inequity in the share of traffic that British carriers flew over the Atlantic.

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41 **Capacity Restrictions**: Regulations which stipulate and restrict the number of flights and seats that an airline can fly on a specific route.


43 Ibid.
stemming from concerns in the original Bermuda negotiations. Tim Deal, acting as an aviation consultant in the Department of State, summarized the British position:

The British assert that under the present arrangement their carriers are not getting a fair share of the Transatlantic passenger traffic and want a new agreement to guarantee them a 50 – 50 split in revenues. Currently, US airlines carry almost 60% of the passenger traffic between the US and the UK, but the gap is narrowing. The British propose to increase their market share by government control over capacity, by permitting only one US carrier on each route (in contrast to present practice where, for example, both Pan Am and TWA compete in the New York – London market with British Airways), and by denying US carriers “beyond rights.”

In contrast, the US position was “that the primary purpose of a bilateral agreement should be to guarantee equal competitive opportunities, not equal financial results.” The US negotiators complained that the British were looking to apply traditional eighteenth century protectionist doctrine in the face of a twentieth century dilemma. Alan Boyd wrote the president “the UK proposals are anticompetitive and, if accepted, would jeopardize our agreements with other nations.” Rather than work within the competitive framework of an increasingly open market, the British wanted a Band-Aid, one that the Carter administration was loath to accept.

Negotiations continued, while the Carter administration focused on more newsworthy foreign policy concerns. But Boyd continued to keep the president informed as the June 22 deadline loomed larger and larger. Carter remained engaged, and on 28 April, requested a

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44 Market Share (also Share of traffic): In the Bermuda agreement, it is clearly stipulated what percentage of traffic each country can fly over the London to New York routes. When either the US or British carriers exceeded the permitted percentage, the number of flights offered by each country had to be adjusted. This forced an artificial demand for the flights of one carrier and reduced the available flights of the other country.

45 Memo, Tim Deal to Vice-President Mondale, 3/23/1977, “CA 1/20/77 – 6/30/77” folder, Box CA-1, WHCF-Subject File, Jimmy Carter Library.

46 Ibid.

call with Prime Minister Callaghan. Edmund Dell scurried to bring the British prime minister up to date, and provided Callaghan with a number of talking points. He suggested that the prime minister point out that “we [the UK] regard the cessation of air services between our two great nations as ‘unthinkable.’ This contrasts sharply with the statements of Mr. Brock Adams … (twice in public recently) about the possible cessation of services.” Dell further counseled that “the US still have to make a serious move towards us in the negotiations … [and that] we are most concerned about the extensive rights which the US have at London which give their airlines an unfair advantage and are totally unrequited in the US.”

In a separate memo providing background, Dell again raised the specter of Concorde: “Mr. Dell has explained to Mr. Brock Adams that we could not sign a new agreement in June if the present Concorde service to Washington were to be terminated in September.”

As planned, President Carter called Prime Minister Callaghan on 29 April. The call started off cordially, briefly covering some advance planning for Carter’s trip to the United Kingdom in May for the G7 summit meeting. Whereas US sources provide only a summary of the call, the British archives provide a transcript. Carter and Callaghan spoke at length, showing how far Carter had come in appreciating the significance of these talks. Carter had set the US stakes in the ground immediately; “there are two things that are almost impossible for us to yield on … one is that it would be impossible for me to agree to another nation, even as close as you are to us, to have a veto power over the capacity of our own airlines …

49 UK National Archives, PREM 16/1169, “Telephone Conversation with President Carter, 29 April 1977: Air Services Negotiations,” Background Brief by the Department of Trade, Department of Trade to Prime Minister Callaghan, 28 April 1977.
secondly, it’s crucial to us that we not yield our ability to fly beyond London.” Callaghan responded, “it’s daft that all of these three companies [British Airways, TWA and Pan American] should operate at a loss - they’re flying across the Atlantic 2/3 empty.” If planes were flying across the Atlantic with that many empty seats, it was due to artificially high fares. International fares were tightly controlled by the International Air Transportation Association (IATA) as well as air service treaties. Before a new fare could even be proposed to IATA, the two countries had to agree. Discount fares were rare in the mid 1970’s and strictly limited by Bermuda I as well as IATA; the United States wanted to let the market dictate fares, rather than an inflexible treaty. Callaghan concurred with Carter on the inadvisability of a foreign veto, but he tried taking advantage of one of Carter’s domestic initiatives, saying, “When you take in such things as, including your very courageous programme on energy, it [excess capacity] just doesn’t make sense.” Recognizing the importance of the Bermuda II negotiations, and the looming deadline, Carter suggested “if an extreme disagreement should arise that can’t be resolved [by the negotiators] … at that point you and I could get together, even at the level of Prime Minister and President, and resolve it.” Callaghan agreed: “we’ll get an agreement and we’ll help each other to get it.”

This time it was Carter’s chance to come better prepared to the call. In the original Bermuda agreement, a 60/40 split of traffic had been agreed upon. This meant that for every 100 seats flying across the Atlantic, 60 were on US carriers and 40 were on British planes. These were total seats, whether they were filled or empty. In the new agreement, Great

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50 UK National Archives, PREM 16/1169, Transcript of Telephone Conversation between Prime Minister Callaghan and President Carter, 29 April 1977.
Britain was proposing a more equitable 50/50 traffic split, which would have meant US airlines reducing capacity, reducing the number of flights, and reducing the routes they flew. The result would have been that for every 100 seats flying between the two countries, 50 would be on US carriers and 50 on British carriers. In 1977, at the time of the negotiations, 63% of the traffic originated in the United States, which led US negotiators to stand firm against the 50/50 split.

In lieu of a predetermined split, Carter proposed that both sides be able to maintain an average load factor of 65%, and make capacity adjustments if airlines exceeded that number or fell short of it. Load factor is a common metric the industry uses to measure profitability. When the load factor fell below 65% for one side, capacity on the other side would be cut. This was a different metric than had been used in Bermuda I. It dealt not with total seats, but with total filled seats, seats with people paying fares. As noted above, Bermuda I simply stated that out of every 100 seats, 60 were on US carriers and 40 were on British carriers. Now the US was proposing not to control proportionately the total number of seats, but rather to guarantee the percentage of seats filled. It would not matter how many or few seats either country flew across the Atlantic; rather it said that when one country was filling less than 65% of its seats, the other party would agree to reduce its capacity. For example, if US carriers were flying 100 seats between Chicago and London, as soon fewer than 65 of those seats were filled, the British carriers on that route would offer fewer seats and in so doing, push additional passengers to the US airlines. If Callaghan was worried about 2/3 of the seats flying empty, this was one way of insuring that 2/3 of the seats on each country’s planes were
flying filled. It was an attempt to insure profitability rather than to simply control the total number of seats offered by each country.

Callaghan hesitated, responding “Well I’m not sure that I understand that, I’m not as well briefed as that what the 65%, how significant it is … I’ll inquire about that.” Carter further justified the US position, and then noted that all concessions so far had been by the United States. “Let me talk to you about a few things that we have already agreed upon – I think, to be frank about it, all of them, are concessions on our part, we’ve not asked Great Britain for any concessions at all.” Callaghan responded with surprising candor, “let me say that I acknowledge that we are asking you for concessions rather than the other way around,” but quickly justified that position, “that’s because it’s 2 to 1 as it were [two US airlines versus one British airline] … it’s difficult for me to say we’re going to be flexible because we’re the people who are saying we want some concessions in order to equalize this business. At any rate, let me say that we won’t be a Shylock.”

This was Callaghan’s way of ensuring that the British wouldn’t make undue and unreasonable demands on the United States; it would not seek “its pound of flesh.” In many ways this was an extraordinary conversation, not just for the detail in which the negotiating positions were covered, but also in its length. The transcript covers nine pages in small type. If anyone doubted the significance of the Bermuda negotiations to these two countries, both at the commercial level as well as the level of relations between two allies, one has only to pore over this conversation. And both chief executives agreed that should it hit a wall, they would act in their capacity of President and Prime Minister to adjudicate it.

51 Ibid.
On 3 May, President Carter sent to Prime Minister Callaghan a five-page assessment by US negotiators of the issues and current positions of the two countries. Callaghan received a similar assessment by his own team, which justified the British position rather than provide a balanced overview of the two sides. The two sides remained far apart. One point, however, upon which they were getting closer was the 65% load factor that Carter had proposed in his late April call with Callaghan. The British assessment notes, “The President’s [Carter’s] suggestion of adopting an agreed standard seat factor in excess of 65% for judging whether or not capacity proposals are excessive provides a hopeful means of resolving this problem.” The document further gives the US negotiators more credit for resolving the issue; “The US team has made significant moves towards the British view.”52 One area where the two sides remained decidedly at odds was Concorde. That same British assessment concludes, “This [Concorde] is a very troublesome issue.”53 A telegram from the Foreign Office to the British Embassy in Washington notes, “we would have great difficulty in signing a new air services agreement in June if there were a possibility that the present Concorde service to Washington might be terminated.”54

Carter and Callaghan would meet in early May at the G7 Economic Conference in London, and the British were concerned that Carter might reach out again to the Prime Minister for a private discussion about Bermuda II; “there is clearly a possibility that President Carter may try and negotiate with the Prime Minister during the course of his

53 Ibid.
visit.” British Secretary of State Martyn Baker provided Callaghan some talking points, and reminded the Prime Minister, “the existing agreement [Bermuda I] … is extremely unbalanced and works to the UK’s detriment. We accept that the US have made some concessions, just as we have, but they still have a long way to go.”55 The subject of Bermuda II, however, seems to barely have been discussed at the summit. Carter did meet Chancellor of the Exchequer Denis Healey in the Blue Room and told him that “he was v[ery] grateful for [the] UK move to accept [the] 65% [load factor].” Carter reminded the Chancellor that the 65% load factor would need to be monitored by both sides, and not just by the British. 56

At this delicate stage in negotiations, in late May, US Secretary of Transportation Brock Adams, never a strong proponent of accommodating British concerns, threw the proverbial monkey wrench into the works when he commented that unless the UK made a radical change in its position, the US delegates would “pack their bags” on 2 June and return to Washington.57 Neither the British negotiators nor Alan Boyd, head of the US delegation, took kindly to the interference by Washington. A telegram from Foreign Minister David Owen to the British embassy in Washington indicated that Boyd “was ‘furious’ at [the] interference from Washington [Brock Adams’ comments] and had now made this clear in various quarters including the White House.” The same telegram reported that “Boyd said that the delegation had not been recalled,” but cautioned that in the event negotiations stalled once again, “he [Alan Boyd] would go back to Washington … and it would be for us to go

55 UK National Archives, PREM 16/1169, Memorandum “US/UK Air Services Negotiations” from Martyn Baker to Patrick Wright, 5 May 1977.
56 UK National Archives, PREM 16/1169, hand written note from Kenneth to Patrick Wright, 8 May 1977.
57 UK National Archives, PREM 16/1169, Memorandum “US/UK Air Services Negotiations” from Brian Bender to Patrick Wright, 25 May 1977.
there if we wished to continue negotiations later.” Brzezinski seemed to confirm Brock Adams’ comments by telling British Ambassador Ramsbotham at a dinner party on 3 June that indeed the United States did intend to recall the leaders of the negotiating team, but leave their delegates. Upon receiving the news, Ramsbotham tried to lighten the conversation by replying, “it was only when dealing with Russians that one expected to see the Americans threaten or undertake withdrawals of delegations.” Clearly, the Bermuda negotiations were on everyone’s mind.

Bermuda II: The Deadline Looms - May to June 1977

During the early days of June, the President received mixed signals, with the current treaty set to expire in twenty-one days. On 4 June, Carter received a memo from the State Department stating that “Alan Boyd reports that significant progress was made on June 3 in the renegotiation of the Bermuda Agreement … before the progress registered yesterday Boyd had contemplated terminating the current negotiating round and returning to Washington. Now he intends to remain in London and, although a number of difficult issues remain … his present assessment is that we will have a new agreement by June 22.”

Two weeks later, in a memo from Brock Adams to the President, things looked less optimistic; “Last week the US government put forth its ‘bottom line’ proposals … the UK

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59 UK National Archives, PREM 16/1169, Telegram “Air Services Agreement” from British Ambassador Ramsbotham to Foreign Office, 4 June 1977.
60 Memo, Warren Christopher to President Carter, 6/4/1977, RAC NLC-1-2-6-34-5, RAC Files, Jimmy Carter Library
has not accepted or rejected this position.” In that same memo Adams notes that planning is under way for a termination of the agreement and a cessation of air services. The British assessment was equally glum. Edmund Dell wrote Prime Minister Callaghan, “I regret to inform you that at this very late stage in the negotiations the Americans have taken a tough and uncompromising stand. Indeed, they have gone back on positions which they took up as recently as 3 June.” Dell went on to describe the new US positions; on the issue of capacity control, Dell reported the Americans had taken a position that “amounts to virtually no control at all;” on additional traffic rights for British carriers, “indeed the proposal is worse than what we have under the present agreement;” on competition, “They boast about their spirit of competition. But in fact they are not willing to grant us the fair and equal opportunity which the present agreement and the new agreement ostensibly call for.” Dell concluded by saying “overall the offer which the Americans are making is not one I could justify to the house,” and he recommended to Callaghan “as you know, I have always thought that we could only settle this matter by your responding at some stage to the President’s recent telephone call. I suggest the time has now come.” As the final days and hours drew near, negotiations proceeded at a snail’s pace; direct intervention by Carter and Callaghan be might needed.

There was never agreement between the Americans and the British on what to do if the agreement expired. Kingman Brewster, US ambassador to the United Kingdom,

61 Memo, Brock Adams to President Carter, 6/17/1977, “CA 1/20/77 – 6/30/77” folder, Box CA-1, WHCF-Subject File, Jimmy Carter Library
62 UK National Archives, PREM 16/1169, Memorandum “US/UK Air Services Negotiations” from Martyn Baker to Patrick Wright, 5 May 1977.
recommended in a memo and phone conversation with Carter that the United States simply ignore the deadline and continue normal air services. Carter’s National Security advisor, Zbigniew Brzezinski, heartedly disagreed, noting that the “tactic would play into British hands and undercut our negotiator’s credibility.” He recommended that “we must be prepared to take the ultimate step even though we all hope this will not prove necessary.” Brock Adams assured the president, “The Department of Transportation has been coordinating efforts to assure an orderly transition in the event a new agreement is not reached and cessation of air services occurs between the US and UK.” He suggested “a public announcement of the proposed cessation of service should be made on Monday, June 20, if Ambassador Boyd informs you that day there is no agreement.” The decision remained in Carter’s hands alone.

On 15 June, Callaghan took Dell’s advice and responded in writing to Carter’s earlier phone call. His letter accepted Dell’s assessment of the situation, and pushed Carter for accommodation. “Dear Jimmy … I now hear very worrying news about the latest turn of events.” Callaghan essentially played back all of Dell’s concerns, and specifically points out to Carter that on their one area of agreement, “in the all-important matter of the capacity control mechanism across the North Atlantic your people’s offer is now worse than it was some weeks ago. We were perfectly prepared to adopt the standard, which you yourself proposed to me of a 65% load factor, but unfortunately your team rejected this. As a result

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63 Memo, Timothy Deal to Zbigniew Brzezinski, 6/17/1977, “CA 1/20/77 – 6/30/77” folder, Box CA-1, WHCF-Subject File, Jimmy Carter Library.
64 Ibid.
the waste of fuel and other resources would continue.” Callaghan also suggests, “I find your people are in practice denying the philosophy of competition,” and concludes “I ask you to take a close personal look at the situation and to give Ambassador Boyd fresh instructions.”

On 16 June, Carter responded to Callaghan. In the confidential memo, Carter noted first that “we have provided British Airlines greater opportunities than have been offered to any other nation;” secondly that the many US concessions were made “because it is obvious that our overall relationship transcends narrow issues,” but that “anti-competitive regimes have never been our policy;” and finally that further compromise was not possible, although “I have instructed Ambassador Boyd, in the few hours which remain, to attempt to reach an agreement provided it does not include further compromise on central issues [fifth freedom rights to carry traffic beyond London, maintaining the 65% load factor metric for capacity adjustments, and additional US carriers having access to London].” The two sides seemed to be drifting further and further apart – not closer; it was becoming a game of who would blink first. But the real question was who had the most to lose if the agreement lapsed?

Where Concorde was a matter of British national pride and prestige, the air agreement carried significant financial consequences. Who would suffer more from a cessation of air services? Would it be the United States, from where the 63% of travelers originated, taking their business, money and trade with them across the Atlantic, or the United Kingdom, which was the recipient of that carriage? While a significant amount of commercial business

66 UK National Archives, PREM 16/1169, Letter from Prime Minister Callaghan to President Carter, 15 June 1977.
67 Letter, President Carter to Prime Minister Callahan, 6/16/77, RAC NLC-126-8-9-2-2, RAC Files, Jimmy Carter Library
originated in the United Kingdom as well, and the United States would miss that trade, the British had more to lose.

The British Embassy in Washington received daily updates on the situation. On 17 June, a telegram from the Foreign Office reported, “the atmosphere was more tense today. [Boyd said] we were far apart on the other big issues. He also said that the CAB [US Civil Aviation Board] had yesterday forwarded a memorandum to the President “[which] recommended revocation of the permits [permission to land at US airports] of BA [British Airways], BCAL [British Caledonian] and Cathy Pacific.” British lead negotiator Shovelton responded “that the UK would not negotiate under duress.”\(^{68}\) That same memo also indicated that carriers on both sides of the Atlantic were making contingency plans for shuttling passengers between the European continent - where they would be diverted to in the event negotiators failed to reach an agreement - and London. On 19 June, the Foreign Office reported “at the end of today’s discussions Boyd told Shovelton that he would report to the President tonight that he had an agreement within his grasp on the capacity article and mechanism … and he hoped agreement on routes [between additional cities in the United States and the United Kingdom, as well as between the United States and other British ports such as Honk Kong and British Caribbean islands] could still be reached though there were obviously very difficult issues still outstanding.”\(^{69}\)

\(^{68}\) UK National Archives, PREM 16/1169, Telegram “US/UK Air Services” from Foreign Office to British Embassy in Washington, 17 June 1977.

Callaghan seems to have been better informed than Carter during the remaining few hours and likely had the advantage of realizing that the British would ultimately make the concessions necessary to secure an agreement. On the evening of 21 June, just six or seven hours prior to the agreement expiring, Edmund Dell reported orally to the prime minister “there remained a good prospect of an agreement by 05:00 tomorrow [which would be midnight in Washington, when the treaty was set to expire].” He further noted that “Secretary [of Transportation Brock] Adams kept on being unhelpful and President Carter had been [increasingly unhelpful] recently. He [Dell] had virtually decided about 20:00 [8 PM] last night to settle … but this morning President Carter had phoned Ambassador [Boyd] and reverted to an old demand.” In the end, for the British, financial gains outweighed other considerations, such as landing rights for the Concorde. Dell said, ”the agreement would not be a great victory but he had been advised that the agreement as it stood at 14:00 today would be worth about £34 million per annum to us by 1981.” Dell reported to Callaghan orally because “in normal circumstance we would write a letter recording this but it hardly seems worth it since one way or another this should all seem rather ephemeral by tomorrow morning.”

Dell and the British team had clearly decided that enough had been gained to conclude the negotiations; the British simply had too much to lose should they let the agreement lapse and cause air services between the two countries to be suspended.

During the early morning hours of 21 June, barely 15 hours before the agreement was to expire, Carter received the formal documents he would need to sign, should the

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70 UK National Archives, PREM 16/1169, Transcript of oral report from Edmund Dell to Prime Minister Callaghan, as sent to Patrick Wright, 22 June 1977.
negotiations fail, to terminate air services. The president was unaware that the British had
decided to capitulate on the remaining issues, such as gaining rights for British Airways to
carry traffic that did not originate outside the United States from one US city to another in
exchange for US carriers picking up passengers in London and flying them to other
countries. The brief accompanying memorandum simply stated “if no agreement is reached,
you should sign at the green tabs as recommended by Eizenstat and Brzezinski.” Later that
day, Carter received a memorandum from Brzezinski: “As Alan Boyd has reported, we have
not been able to reach an agreement. He feels, and we agree, that we must cease all non-
charter services … while this extreme step is clearly contrary to the interests of both nations,
we feel that we have no choice. Our airlines have made plans that will insure no travelers are
left stranded, but there will probably be some unavoidable public inconvenience.” The
hours passed; the last wave of departures from the US to the UK departed on time; and
Jimmy Carter signed the executive order to terminate all air services – other than charters –
between the United States and the United Kingdom. It looked like a miserable start to the
peak summer travel period.

Bermuda II: The Calm After the Storm - July 1977

As the day dawned on 22 June 1977, Pan American’s early morning departure to
London, Clipper 100 departing New York JFK at 10am, left on time. It was one of two

71 Memo, Rick Hutchinson to President Carter, 6/21/1977, “CA 7 6/13/77 – 6/21/77” folder, Box CA-6,
WHCF-Subject File, Jimmy Carter Library.
72 Memo, Stu Eizenstat and Zbigniew Brzezinski to President Carter, 6/21/1977, “CA 7 6/13/77 –
6/21/77” folder, Box CA-6, WHCF-Subject File, Jimmy Carter Library.
eastbound departures traversing the Atlantic that morning as it did every morning. Crossing the Atlantic, its crew heard the same radio chatter from the dozens of westbound UK departures headed to the United States, as they did every morning. Gander Air Traffic control counted no fewer flights that day than it had the previous days. The negotiating teams had reached agreement on a new bilateral agreement between the United States and the United Kingdom minutes before midnight on 21 June. The United Kingdom had finally blinked, realizing that the financial losses, should air services between the two countries be suspended, far outweighed the small advantages that could be realized from further negotiations. Further, once air services had been suspended, the US negotiators might decide to reopen issues such as allowing even more US carriers access to London, further reducing any types of capacity control, and pressing for an even more deregulated environment. On the other side of the Atlantic, Jimmy Carter had jumped the gun, signing the papers suspending traffic before the situation had been settled. Technically there was both an agreement to continue services in place, and one to terminate the same. One White House staffer sent a quick memo to another. “The President signed the attached [termination of air services] … even though an agreement was reached. He would like the signatures destroyed. How do you think the best way to do this would be?”

Prime Minister Callaghan sent Carter a brief telegram of congratulations on 22 June, noting “our negotiations have shown how our two countries can work together even in an

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73 Memo, Trudy Fry to Bob Linder, 6/22/1977, “CA 7 6/22/77 – 7/30/77” folder, Box CA-6, WHCF-Subject File, Jimmy Carter Library.
area where our interests are different. That is as it should be."\textsuperscript{74} To his own team, he sent a congratulatory note, which concluded with “I am confident that ‘Bermuda 2’ will earn as significant a place in civil aviation history as ‘Bermuda 1.’\textsuperscript{75} Carter replied on 25 June, saying “I, too, am pleased that we were able to bring the air services negotiations to a successful conclusion – if not with much time to spare. Like you, I think the negotiations are a tribute to our ability to work together even when we have different interests. That spirit guides all our dealings and will, I know, continue to do so.”\textsuperscript{76}

In reviewing these negotiations, one cannot but help notice how much involvement there was of the two chief executives. Trade agreements rarely garner executive attention; but these negotiations transcended pure economics, even if in the end the British used economic value to determine whether to sign or not. These negotiations reflected the importance of the role that civil aviation plays between nations, the way that the United States and Great Britain maintained their special relationship even when dealing with competing interests, and the intersection of private and public interests in diplomatic affairs.

Bermuda is particularly nice in the summer months. Trade winds keep the temperatures mild, and the summer sun brightens the pastel colored houses and stores that are one of the island’s trademarks. It was particularly agreeable in July 1977 as it was the site of the formal signing of the new Bermuda bilateral aviation agreement between the United

\textsuperscript{74} UK National Archives, PREM 16/1169, Telegram from Prime Minister Callaghan to President Carter, 22 June 1977.
\textsuperscript{75} UK National Archives, PREM 16/1169, Letter from Prime Minister Callaghan to Edmund Dell, 22 June 1977.
\textsuperscript{76} UK National Archives, PREM 16/1169, Telegram “from President Carter to Prime Minister Callaghan, 25 June 1977.
States and Great Britain, just as it had been thirty-one years earlier when the original agreement had been enacted. Not everyone was happy with the new agreement. On 20 July, just two days prior to the signing, Carter received a telegram from Glenn Cramer, president of TransInternational Airlines, one of the largest US charter carriers. In that memo Cramer requested Carter’s “aid in preventing conclusion of the aviation agreement with the United Kingdom in present form. Agreement now before you is considered by congressional leaders and CAB to be [a] ‘sellout’ … the US … has made considerable unnecessary anticompetitive concessions.”

Cramer’s statement greatly overstated the actual opposition to the agreement and was narrowly focused on a very singular aspect of the agreement – charter carriers - but it did serve as a harbinger of things to come. A second memo to the President from Stu Eizenstat indicated additional opposition, “Senators Cranston, Cannon and Kennedy and Representatives Anderson and Johnson have written to you complaining about the agreement.” But these were largely motivated by the agreement’s direct effects on their constituents. Some cities would gain from the new agreement, while others would lose. Opposition apart, it was signed.

In a House of Lords debate on 21 July 1977, just a day prior to the signing, a number of cogent points were raised. The Earl of Kinnoull noted, as had Lord Boyd-Carpenter, how poor the British timing had been in announcing in 1976 that they would be terminating the original agreement. The British statesmen suggested that the pending US elections, and then

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77 Memo, Glenn Cramer to President Carter, 7/22/1977, “CA 7 6/22/77 – 7/30/77” folder, Box CA-6, WHCF-Subject File, Jimmy Carter Library
78 Memo, Stu Eizenstat and Bill Johnston to President Carter, 7/22/77, “7/22/77” folder, Box 39, Handwriting File, Jimmy Carter Library
the lame-duck status of the Ford administration had not led to a speedy resolution and had lent itself to significant posturing on both sides: “For the two countries, who pride themselves in a very special relationship and who pride themselves in leading the world in patient diplomacy, to be locked in this form of brinkmanship must have seemed strange to the world and not a shining example of the art of diplomacy.”\textsuperscript{79} The details of the agreement were kept largely under wraps in the United Kingdom, while generally available to the American public. This led Lord Trefgarne to suggest, “The American Press has posed the question as to why it was that they, the Americans, were willing to publish in such detail the provisions that had been agreed at the all-night sitting while we were so different. I do not believe that we need to look very far for the answer to that question, because some of us were not too proud of what we had achieved …, if anything has been achieved …”\textsuperscript{80} The Lords went on to rail over the lack of inclusion of Concorde landing rights, the lack of stricter capacity and tariff controls, and the perceived preferential treatment of US carriers in the new agreement.

In the \textit{New York Times}, New York University Law Professor Andreas Lowenfeld concluded, somewhat non-committedly:

The British Government seems to have thought it could do better for its airlines by terminating the old agreement and negotiating under a deadline then [\textit{sic}] by engaging in the kind of “consultations” that never seemed to get anywhere under Bermuda I. Were the British right? … In this field, more than in most, where you stand depends upon where you sit. A preliminary view suggests that, relative to each other, British carriers are somewhat better off and American carriers are somewhat worse off then [\textit{sic}] before … but the public will be substantially more dependent upon on

\textsuperscript{79} Hansard
\textsuperscript{80} Ibid
governments and less on the marketplace than it has been up to now.\(^{81}\)

Carter’s commitment to a market driven, competitive environment, which so effectively drove the domestic aviation Deregulation Act the following year, seems not to have gained much traction in Bermuda II. John W. Barnum (deputy secretary of transportation from 1973 to 1977, under the Nixon and Ford administration) noted in 1978, “President Carter has expressed a dedication to helping the consumer on international aviation, and apparently he now realizes that Bermuda II took us in the opposite direction.”\(^{82}\) He based this conclusion on a letter from CAB Chairman Alfred E. Kahn that stated, “The July agreement [Bermuda II] inadequately protects consumer interests, limits the possibilities for low fare scheduled services, and increases government interference in airline operations.”\(^{83}\) While the British bemoaned the lack of further regulation and control, the Americans worried about the lack of competition, the lack of protection for the consumer, and the possibility of US anti-trust actions. While never actually challenged in court, both sides seemed cognizant of this possibility; “The UK view was that Bermuda II would become virtually unworkable if it could be overridden by US anti-trust laws, while the USA felt that no international agreement could abrogate basic civil rights of US citizens.”\(^{84}\)

Up until this point, Carter’s role had been largely selective, called upon by others when the weight of his office was needed to further the negotiations. He had been kept

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\(^{83}\) Ibid, 18.

abreast of the situation; designated a special ambassador to lead negotiations; communicated with the British Prime Minister as needed, or at least as requested; and the “heavy lifting” had been done by Alan Boyd and team. Now, with the agreement having been signed, the spotlight shifted to Carter himself. Carter, in his role as president and the responsibilities of that office in dealing with international aviation treaties, would be asked to consider two very specific actions: which cities would be allowed to have “dual carrier” service, two US airlines rather than just one, flying to London, and which airlines would be designated to serve new gateway cities. In the first case, only two US cities were allowed to have two US carriers designated to fly to London; the old agreement had allowed for three or more dual service cities. New York was never in question, but either Boston or Los Angeles would lose its second carrier. When Eisenstat had referred to opposition from Massachusetts Senator Edward Kennedy (Democrat), for example, it was over the potential loss of dual carrier status for Boston. Nine months later this would reopen the Bermuda negotiations, this time at the Americans’ behest. The second issue was over carrier designation. Carter had to triangulate three cities and three carriers: Atlanta, Dallas and Houston were due to receive new non-stop service to London; Delta, Braniff and Pan American were all vying for the new authority. For Jimmy Carter, the Bermuda II negotiations were far from over.

Bermuda II: Consumers Fight Back

The Bermuda II agreement was signed in very different times from the original treaty. While a protectionist agreement ruffled few feathers in the America of 1946, there was
considerable consumer sentiment building for lower fares and considerable government sentiment for deregulation in the America of 1977. The United States would deregulate its domestic airline industry in October 1978, and the pressure for lower fares across the Atlantic threatened to upset Bermuda II in March of that year. Braniff International, one of the new entrants into the market, thanks to Bermuda II which allowed two new carriers to fly between select cities in the United States and Great Britain, wanted to introduce significantly lower fares between London and Houston, Texas. Introduction of these fares without prior approval of both countries would contravene the Bermuda II agreement. While US officials generally supported lower fares, officials in London immediately fell back on the protectionist clauses of the agreement, which required agreement by both countries whenever new fares were proposed. In a memo from the Department of Trade to Callaghan’s Private Secretary for Overseas Affairs, Bryan Cartledge, Private Secretary Martyn Baker notes that “we, in concert with other European states, have decided to reject these low fares until there has been a proper opportunity to assess the matter and reach considered decisions … these actions [allowing Braniff to introduce new fares when it started flying between Dallas and London] by the US authorities are in conflict with their obligations under the Bermuda II Agreement signed last July.”

It was to be the classic stand-off between the old world and the new world, between regulating trade through protectionist doctrine and encouraging new growth through low fares and an open market.

James E. Dunne II, managing director of the powerful US consumer-lobbying group Airline Passengers Association (APA), wrote directly to Callaghan on 8 March 1978. Talks

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85 UK National Archives, PREM 16/1537, memo from Martyn Baker to Bryan Cartledge, 1 March 1978.
between the United States and Great Britain over the fare dispute had started on 6 March 1978 and quickly stalled in Washington. Dunne urged Callaghan, “the whole future of low cost travel for our peoples over the next decade or more is being jeopardized purely by a minor difference in one route [it wasn’t actually that simple] … I have therefore written to President Carter to ask if you and he could, at the highest executive level, establish contact in order to reach a temporary agreement on the Texas air fare situation.”86 From the British perspective, it wasn’t simply about airfares on a single route; rather it was the basic conflict between markets driven fares and regulated fares. The United States had entered both the Bermuda I and Bermuda II negotiations with the goal of a market driven environment; in both cases, it was fiercely opposed by Great Britain and in the end, the United States had capitulated. Regulation of rates and tariffs was a fundamental principal of Bermuda II and ceding it on one route cracked a door that the British were not about to open.

Callaghan asked for an explanation of why the British negotiators were taking an anti-low fare position. In a hand written note on a briefing memo about the Braniff fares, Callaghan asked, “but why don’t we want low fares?”87 It was a logical question. It put the British in a poor light with consumers not only in the United States, but their own country as well. UK Private Secretary to the State Secretary for Trade, Jeanette Darrell responded to the Prime Minister, noting that “we had hoped that Bermuda 2 would provide protection against predatory fare-cutting by US airlines … the idea of Bermuda 2 was to improve the conditions of competition from the point of view of British airlines … we must therefore reach

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86 UK National Archives, PREM 16/1537, letter from James E. Dunne II to Prime Minister James Callaghan, 8 March 1978.
87 UK National Archives, PREM 16/1537, briefing memo “Braniff Fares,” undated.
agreement with the US government that the provisions of Bermuda 2 will continue to be respected by both sides." Most British airlines, being government subsidized, had changed their business models little in the past thirty years and were unable to compete with American carriers on equal terms; they needed the protection of Bermuda II to generate profit. That was why the British didn’t want low fares.

Ultimately the dispute was resolved by expanding some of the existing excursion fares, and while there is no record of Carter or Callaghan getting personally involved in this dispute, James E. Dunne again wrote to Callaghan, thanking him; “Your action has now made possible a much longer lasting London Bridge between England and the Southwest portion of the United States and this bridge will not be torn down and sold to developers.”

The March air fare dispute presaged things to come, and while the two chief executives do not seem to have gotten directly involved, that would change in a mere thirty days.

Bermuda II: Dueling over Dual City Designation

Foreign policy is rarely far removed from domestic agendas, and nowhere is this clearer than the exchange that President Jimmy Carter started with Prime Minister Callaghan

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88 UK National Archives, PREM 16/1537, memo from Jeanette Darrell to Bryan Cartledge, 10 March 1978. 89 UK National Archives, PREM 16/1537, letter from James E. Dunne II to Prime Minister James Callaghan, 6 April 1978. In the letter, Dunne refers to the purchase in 1967 by US developer Robert P. McCulloch of the 1831 reconstruction of London Bridge, which was being torn down and replaced by a modern structure. The 1831 bridge was transported to the United States and reassembled on Lake Havasu, Arizona, where it stands today.
over the issue of dual designation cities\textsuperscript{90} in April 1978. The designation of the second city was a political hot potato. Boston and Los Angeles were vying for the second spot, and Carter found himself in political trouble with Massachusetts Senator Edward Kennedy. In September 1977 Carter had named Los Angeles as the second designee, which made sense given the demographics of Los Angeles versus Boston. Los Angeles had a catchment area for passengers far larger than Boston, and New York City, with the country’s most extensive travel options, was only 250 miles away from the Massachusetts city. In an attempt to defuse a tense situation at home, Carter turned directly to Callaghan for help, bypassing normal diplomatic channels. It was the Americans’ turn to rattle the tenuous foundations of Bermuda II.

On 16 May 1978, President Carter wrote to Callaghan, warning him that the United States was about to violate of the tenets of Bermuda II; “I thought it best to write to you personally on a matter of importance … shortly we will be making formal designations to allow three U.S. cities … to have non-stop service [to London] … I realize under Bermuda II the U.K. is obliged to accept only two U.S. cities for scheduled service by two U. S. airlines. I hope you will not take this step.”\textsuperscript{91} Carter was being somewhat disingenuous, as he failed to mention the real reason for his request; it was far less about supporting competition and far

\textsuperscript{90} Dual Carrier Designation: Bermuda I and Bermuda II each country could designate two cities that would be served by two carriers of each country (Pan Am and TWA for the US, British Airways and British Caledonian for the British, in New York); all other cities were restricted to one US and one British carrier. Under Bermuda I, New York and Boston, and London and Manchester, were the designated city pairs for each country. Bermuda II eventually added Miami and Los Angeles as dual carrier designation cities, and additional airlines on both sides were added to operate those new routes, but never more than two carriers for each country.

\textsuperscript{91} UK National Archives, PREM 16/1537, Letter from US President Jimmy Carter to UK Prime Minister James Callaghan, 16 May 1978.
more about protecting his own political standing. The British were not fooled. A day later, Private Secretary Bryan Cartledge provided Callaghan with additional background information. “The American Ambassador called this afternoon … Mr. Brewster told me (very candidly), as background to the message, that President Carter was keen to consolidate the political support of Tip O’Neill [Democrat Massachusetts] and Senator Edward Kennedy and that he had accordingly deferred to their insistent pressure in favor of a [sic] improved trans-Atlantic service for ‘their’ city, Boston.”\footnote{UK National Archives, PREM 16/1537, memo from Private Secretary Bryan Cartledge to Prime Minister James Callaghan, 17 May 1978.}

In Callaghan’s response, it is perhaps more interesting to see what he didn’t say than what he did. A memo from Martyn Baker would lead one to believe that the British hoped to use this situation to their advantage. Baker writes, “the President’s request is the result of domestic political pressure … however, the Secretary of State for Trade will wish to consider President Carter’s proposal very carefully before recommending a response. He will wish to see what advantage can be made of the offer of comparable opportunities [allowing British carriers access to more US cities] for our airlines.” Baker concludes, “Mr. Dell is therefore arranging for the airlines to be consulted and various possibilities to be examined.”\footnote{UK National Archives, PREM 16/1537, memo from Private Secretary Martyn Baker to Private Secretary Bryan Cartledge, 18 May 1978.} In the original draft response from Callaghan to Carter, there was a second paragraph that read, “my first reading is one of some disappointment that, only 10 months after signature of Bermuda 2, which both you and I warmly welcomed, you think it necessary to propose a major change
in the deal reached after such difficult negotiations.” 94 This paragraph is entirely missing from the actual response, and one wonders whether Callaghan removed it to soften the response between two friends, or whether others decided on its removal so as not to prejudice the possibilities of the British using this request to secure something else to their advantage.

Politicians in the United States rushed to influence the British. In September 1977, Carter had shifted the dual designation from Boston to Los Angeles; under relentless political pressure in 1978, he was now proposing allowing three US cities to have dual designation, and was appealing to Callaghan for his support. Massachusetts State Senator Joseph B. Walsh (D) wrote to Callaghan asking British help in solving a domestic problem – unemployment. “This move [shifting dual designation from Boston to Los Angeles] would have a devastating effect on the New England economy, since its immediate result would be the loss of some 100 jobs … when one considers the prolonged unemployment situation which New Englanders have been faced with … the loss of the Boston to London air route could very well prove to be ‘the straw that broke the camel’s back.’” 95 Walsh never states what exactly that means, but it is interesting to look at how American politicians were appealing to the British Prime Minister to resolve a domestic issue.

Callaghan’s response to Carter was measured and neutral; he replied, “As you will appreciate, your request presents me with real difficulty; but I welcome your assurance that you would be prepared, in return, to make comparable opportunities available to our airlines

94 UK National Archives, PREM 16/1537, Draft Message for the Prime Minister to send to President Carter, May 1978.
95 UK National Archives, PREM 16/1537, Letter from Massachusetts State Senator Joseph B. Walsh to Prime Minister James Callaghan, 19 May 1978.
… As always I shall work to reach an agreement between our two countries.”  

Carter’s request required consideration and time before a full response could be formulated; but it also afforded the British an opportunity to request favorable accommodations for their own carriers in return for helping resolve a political quagmire for the president of the United States.

Edmund Dell sent Callaghan a considered and diplomatically astute proposal for the prime minister to present to the Americans. Dell starts out by saying “I am concerned that we should not expose ourselves, if we can avoid it, to further hostile propaganda, inspired by vested interests in the United States, on the grounds of our being against competition.” As for Carter’s willingness to provide additional opportunities to British airlines, “our airlines are unanimous that there are no new rights which they would like from the USA at this time which they could operate profitably.” So Dell suggests, “therefore, to avoid the political and presentational damage which could be entailed by a straightforward refusal, we suggest that we agree to the proposal with two rather different conditions attached,” the first being moving all service for these airlines [Pan American and TWA] from Heathrow to Gatwick [an undesirable alternative as it was 90 miles from London and offered none of the onward connections that Heathrow offered], and the second being that the combined number of flights from Boston and Los Angeles not exceed the current number from Boston.  

A handwritten note atop the same letter suggests that Callaghan “lodge our conditions with President

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96 UK National Archives, PREM 16/1537Letter from Prime Minister Callaghan to President Carter, 22 May 1978.
97 UK National Archives, PREM 16/1537, memo “Bermuda 2 Agreement” from Edmund Dell to Prime Minister James Callaghan, 8 June 1978.
Carter as quickly as possible. They have been worked out with British Airways and endorsed by the FCO.” British Airways of course readily agreed to the conditions, as it would have both US carriers serving the undesirable Gatwick, and leave Heathrow to the sole proprietorship to British Airways.

Callaghan accepted Dell’s suggestions. He replied on 9 June to Carter proposing that all American services be moved to Gatwick and the combined number of flights for Boston and Los Angeles be capped at the original 21 for Boston alone. Callaghan’s reply also included some of the paragraph removed from the May reply, noting that “it means upsetting one of the main features of the Bermuda 2 agreement only 11 months after its signature by our two governments. Second, the needs of British airlines for additional opportunities were met by the Bermuda 2 agreement.”

As might have been expected, the Americans reacted badly to the British proposals. A telegram from the British Embassy in Washington notes that Brian Atwood, assistant secretary of state for congressional relations in the Carter administration, remarked that the British position “did not even constitute a basis for negotiation.” Further, “as to sending Pan Am or TWA to Gatwick, he greatly doubted whether either airline would comply even if the US government were to instruct them to do so.” Finally, he announced that Carter had authorized Pan Am to start its new service from Los Angeles on 15 June while continuing to serve Boston as it had in the past, thus throwing down the gauntlet for the British to pick up. Without getting British concurrence, Carter was adding a third dual designation city and

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98 UK National Archives, PREM 16/1537, letter from James Callaghan to President Jimmy Carter, 9 June 1978.
hoping that Callaghan would support him. As the Embassy concluded, “if we force Pan Am off Boston here and now … the Americans involved at this end will conclude that we are spoiling for a fight.”\textsuperscript{99} A hand written comment at the top of the cable, directed to Callaghan, notes, “The Americans, having unilaterally (and publicly) started to unravel the Bermuda 2 Agreement, are now behaving as if we were in the wrong! Standard negotiating tactics, presumably.”\textsuperscript{100}

The United States continued to press the issue, first expressing grave disappointment with the British reply, saying it “reflected a restrictive rather than, as the US had hoped, a liberal approach.”\textsuperscript{101} The Americans then suggested a series of face-to-face negotiations, which were slated to start on 21 June. Nothing came from these talks, the two sides being far apart. There was little benefit for the British in granting the concessions, having largely gained what they wanted in the original agreement; the Americans had little to no leverage, other than Carter hoping for a favor that was not to come. Once the talks concluded, Edmund Dell wrote to the Prime Minister and suggested that he let the matter drop; he felt that no further reply was needed. Dell advised Callaghan “that there is no prospect of a reasonable deal … [further] some of the heat may have gone out of the President’s political problem,

\textsuperscript{100} Ibid.
and I would not expect our refusal of his request to have any repercussions on our wider relations with the US.”

Not everyone in the British government agreed with Dell’s assessment. Foreign Secretary David Owen wrote to Callaghan expressing his concern. “I doubt, however, that we have taken as wise a decision as it appears. The costings [sic] have all been done solely from the point of view of British Airways not taking account of wider financial and political interest.” Perhaps most important in Owen’s note is his concluding point; “You have also not been able to deliver a political favor to the President and to two key American politicians, an intangible but not a negligible loss for Britain.” Owen correctly recognized what had made this round of negotiations different. In negotiating Bermuda II, both Carter and Callaghan had gotten involved as needed; in this round, Carter both initiated it and framed it, not as a trade or diplomatic negotiation, but as a personal favor – one which Callaghan failed to deliver.

Neither side would claim unqualified success in Bermuda II. Alan P. Dobson suggests that the new agreement was even worse for the United States than the first; “it [Bermuda I] was replaced in the end by the Bermuda 2 Agreement, which was arguably the most restrictive bilateral the US ever agreed to with an important civil-aviation partner.” How one-sided was it? First, the United States lost many of the Fifth Freedom rights it had gained with Bermuda I; US carriers could only serve cities within West Germany when leaving

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102 UK National Archives, PREM 16/1537, Memorandum “Air Services to Boston – Exchange of messages with President Carter,” from Edmund Dell to Prime Minister Callaghan, 27 July 1978.
103 UK National Archives, PREM 16/1537, Memorandum “Air Services to Boston – Exchange of messages with President Carter,” from David Owen to Prime Minister Callaghan, 1 August 1978
London, giving up Belgium, France and Scandinavia. Second, when the two countries agreed to add a new gateway city (points of entry into either the United States or Great Britain), the British had exclusive rights for three years, before any US carrier could begin operating that same route. When Houston was added as a gateway in 1979, British Caledonian had no competition from any US carrier until 1982. Third, all new services from new US gateways had to go to Gatwick rather than Heathrow. This was true for both US and British carriers; but for US carriers, this was highly undesirable, Gatwick being far outside of London and not a hub, while British carriers, already offering a strong set of onward flights, could market it for easy connections. Fourth, fares remained tightly controlled and regulated; while Jimmy Carter was deregulating the industry in the United States, no such progress had been made over the Atlantic. This made the entrance of low fare carriers impossible and fares to remain artificially high. On the plus side of the ledger, the Americans eventually gained two additional dual-designation cities (cities which had service from two US and two British carriers), Miami and Los Angeles, and the metric for capacity control was changed from total seats flying between the two cities to the 65% load factor, a change, however, that arguably helped the British as much as the United States.

What had the British gained? First, they cut down Fifth Freedom rights for US carriers out of London, forcing those passengers who wanted to fly from London to Belgium, France and Scandinavia onto British carriers. Second, they obtained exclusivity on any new route to a new US city, virtually giving them a monopoly on the route for three years. Third, they continued to restrict and regulate fares, eliminating the ability for economically stronger
US carriers to grow the market through lower fares. Fourth, they continued to maintain a form of capacity control, even though the metric had changed. Fifth, they protected their primary airport, London Heathrow, from any new US carriers as well as from any new US gateways. And in return, they allowed dual carrier designation to Los Angeles and Miami.

Why would the US team have agreed to such a one-sided compromise? Perhaps it harkens back to the special relationship between the two countries. By the mid-1970’s, the relationship was on the mend, and perhaps Carter was looking to strengthen that relationship. Or perhaps it was because the relative positions of the two countries were similar. Both the United States and Great Britain were in the midst of an economic crisis. The time was ripe to strengthen protectionist doctrines that might shore up weakened economies. Historically, nations always reverted to protectionism in times of trouble, and these were troubled economic times indeed for both parties. Perhaps it wasn’t the right time for the Americans to push too hard for a liberal agreement. And perhaps it was simply because it was Great Britain. As Alan Boyd noted some years later in an oral interview, had he not been an anglophile, there would have been no Bermuda II agreement. 105

We can learn a great deal from looking at the Bermuda II negotiations. First, Carter and Callaghan had significant involvement in furthering negotiations when they stalled. Yet at the same time, we can see that they were often woefully unprepared and uninformed about the matter at hand. Edmund Dell clearly directed the policy that Callaghan espoused, and both Brock Adams and Allan Boyd shaped Carter’s position. At times Callaghan came to the table better informed; at other times, Carter had the better information. Second, some

105 Ibid, p. 146.
negotiations have more importance than others. Bermuda II was far from being a simple trade negotiation; it consumed a significant amount of both Callaghan and Carter’s time. It merited the United States appointing a Special Ambassador, and it tested the Special Relationship between the two countries. Thirdly, it fostered a sense of historical continuity. From its genesis in the Allied victory in Europe, through the recognition of civil air transportation as being one of the building blocks for reviving commerce in Europe, through the age-old arguments of protectionism and free trade, Bermuda II covered familiar territory. And finally, it clearly demonstrated the interplay of foreign policy with domestic agendas.

As with the original agreement, Bermuda II would have a limited life span. In 1993, the agreement underwent significant revision, although it was not completely renegotiated. And in 2007, Carter’s vision of a deregulated industry finally gained traction with the two countries. On 30 April 2007 representatives of the United States and Great Britain signed the historic Open Skies agreement, which eliminated almost all controls on air service between the two countries and let the free market dictate fares, capacity and services. It had been a long time in coming; it was the culmination of a journey that started in the twilight of the Second World War, underwent significant twists and turns during the Carter years, and finally came to fruition in the heady years of economic prosperity and growth of 2007 and 2008. Bermuda I and Bermuda II had been negotiated in times of economic turmoil and recession; Open Skies came about during the flush years of the mid-2000’s. It also tested the strength of the special relationship, and reinforced the Anglo-American partnership.
Bermuda II having been signed, it is time to return to the Concorde story. Concorde was never far away from the Bermuda II negotiations, with the British inserting it into the dialogue at various times. But in the end, Concorde was its own story, one that would play out with its own dynamics and energy. In the previous chapter we left Concorde after its first trip through the US court system; the next chapter picks up where we left off, and follows it through to a resolution, not that the controversy over the supersonic airliner would ever completely go quiet.
CHAPTER FOUR: DEVELOPMENT – CONCORDE, THE FINAL FOUR MONTHS

Without doubt, Concorde died yesterday at the age of 31. All that will remain is the myth of a beautiful white bird.

'Le Figaro' editorial, the day after AF 4590 crashed after takeoff, 26 July 2000.

For those of us who live in the shadow of this noisy monster, there aren't too many of us who are sorry to see it go.


With Bermuda II played out and signed, it is time to return to the Concorde story. It seemed as if the British and the Americans took time to catch their breaths for the remainder of June and part of July: local opposition in New York had kept the Concorde out; the summer travel season was already booked; and for the British, a satisfactory conclusion to the Bermuda II agreement seemed to lessen the urgency of getting landing rights for Concorde. On 4 June 1977, National Security Advisor Brzezinski attended a farewell dinner for British Ambassador Peter Ramsbotham, who was returning to London. The outgoing British ambassador reported that he and Brzezinski had discussed Concorde and the national security advisor had told him, “he [Brzezinski] personally was coming down on our side and was trying to be helpful … But he was not sure what line the President would decide to take: there was a difficult balance between domestic and international considerations.” Brzezinski,

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1 In this section, we return to our “A” theme of the rondo form, completing the case study and completing the A-B-A development. The major elements of diplomacy, urgency, national sensibilities, and economic necessity remain throughout.
2 David English, The Air Up There, 76.
4 Ramsbotham was replaced by Peter Jay, Callaghan’s son-in-law, which gave rise to some controversy; Ramsbotham was well regarded on both sides of the Atlantic, and his removal raised uncomfortable questions of nepotism for Callaghan.
never one to mince words, also told the British ambassador, “it was unfortunate that we were associated with the French.”

14 June 1977 – Reigniting the Fire

Concorde: The Legal Battle Round One

Figure 7: Timeline - Concorde - The Legal Battle Round One

On 14 June 1977 the New York Court of Appeals Court once again wrenched the Concorde debate wide open by overturning Judge Milton Pollack’s 11 May 1977 decision,

which had declared the ban on Concorde to be illegal and had opened the way for Concorde to land in New York. The original suit brought by British Airways and Air France, challenged the ban on two legal principles: that it was a violation of federal supremacy by a local authority and that it was discriminatory, as Concorde was being subjected to different environmental criteria than other aircraft. The Appeals Court ruling dealt only with the issue of Federal supremacy. It ruled that in this case Federal power did not preempt local authority. However, it returned the question of whether the Port Authority’s ban was discriminatory back to the lower court and Judge Pollack for further investigation. It required that Pollock determine the case on the basis of discriminatory practices alone, and to determine whether the New York Port Authority had in fact purposely imposed criteria designed to discriminate against Concorde.

Again, the British and the French found themselves with a dilemma. As they saw it, there were two possible legal courses to follow. The one was to go back to the lower court and pursue the matter of discrimination. Pollack had ruled favorably before and might do so again; “we might be able to get a ruling out of him that the ban was indeed discriminatory.” But would that ruling hold up in a court of appeals, to which it would certainly be returned? The second option was to take the ruling on federal supremacy to the Supreme Court. While there was no guarantee the Supreme Court would hear the case, it might be worth the effort. But if the Supreme Court did decide to hear the case, would that prejudice the other route should they still need to pursue it? “The lawyers are still divided on our chances of success

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6 UK National Archives, PREM 16/1494, Telex from British Ambassador Peter Ramsbotham to Foreign Office, 14 June 1977.
there but, irrespective of this, the French will probably want to take this action [the Supreme Court] for political reasons.” In either case, the Court of Appeals made it clear that “we nevertheless believe it is in the interest of all concerned that this interminable strife be brought to an end.”⁷ Wishful thinking indeed. The British decided to return to District Court and Judge Pollack, and pursue the discriminatory practices review rather than go to the Supreme Court at this time; “pending the outcome of this trial [discriminatory criteria against Concorde], no action is being taken to file an appeal to the Supreme Court on the main issue decided by the Court of Appeals.”⁸ The British opted not to appeal to the Supreme Court the ruling on Federal versus local jurisdiction; if necessary, there would be time for that later.

The New York Port Authority came under continual attack for its failure to articulate specific noise metrics against which Concorde was to be measured. This would become one of the factors in the final court decision in October, which would finally put an end to the debate. Existing noise regulations at Kennedy held a 112 decibel maximum for departing and arriving aircraft, but they had been established after Concorde was built and had been grandfathered to all other previously built aircraft. French and British officials argued that it was discriminatory to exclude Concorde from this grandfathering; New York officials argued Concorde was a special case. National Security Council Director Robert E. Hunter sent a memorandum to Brzezinski on 6 July 1977 noting that the New York Port Authority might have been prepared to issue a noise standard against which Concorde could be measured, but that he was concerned that such a metric would be specifically constructed so Concorde

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⁷ Ibid.
⁸ UK National Archives, PREM 16/1494, Unattributed and undated memo on Concorde.
would fail. Hunter argued for indirect intervention, through the governor of New Jersey, Brendon T. Byrne. “The Port Authority will meet tomorrow, and may adopt a noise rule dealing with ‘low frequency noise’ – this directed solely against Concorde. The question is whether someone in the White House should be in touch with Governor Byrne today (it is pointless to talk to [New York] Governor Carey).” Hunter also suggested in the same memo that Brzezinski himself make the call to Byrne; “To keep it on the foreign policy plane, it would be better for you to do it.” Governor Carey had alienated himself from the White House, and the administration was looking for a backdoor. The White House was beginning to take a more pro-active stance, having filed the amicus brief with the court. Concorde was now an irritant that Carter and his staff needed resolved.

The Port Authority did meet the next day, 7 July 1977, and once again came to no decision. The meeting was noteworthy for having all twelve commissioners in attendance – no small achievement. The meeting also ran ninety minutes longer than planned, but finally at 6PM, issued the following statement: “Concorde had unique characteristics, including its low frequency energy in landing and vibrations, and that its operations could be expected to produce significant annoyance and complaints. The Port Authority would need to produce a vibration index and for this purpose there would have to be further studies.” It was another example of the Port Authority’s delaying tactics – a strategy which would come back to defeat it. A few days earlier, US Secretary of Transportation Brock Adams had faced

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10 UK National Archives, box FCO 82/805, Telex from Consul General Moreton to London Foreign Office, 7 July 1977.
questions relating to Concorde on the television program “Face the Nation.” He suggested that New York’s reluctance to allow the new jet to land was not without precedent. “I don’t know whether a lot of people know it or not, but New York originally shut out the 707’s and the Comet when the jets first came on.”\(^{11}\) History was repeating itself both in New York’s procrastination and in targeting another British aircraft. The British reaction to the Port Authority’s delay was predictably grim. “We are disappointed by the Port Authority’s renewed failure to take action … it is curious to say the least … that the authority seems only just to have discovered the well-known fact that Concorde noise has distinctive low frequency characteristics … it is difficult to escape the conclusion that it is simply looking for excuses for delay.”\(^{12}\)

And here, the British public records dealing with Concorde from the Prime Minister’s Office remain classified. There are a mere half dozen documents relating to next four months, and it would be tempting to draw dramatic conclusions. It could be argued that with Bermuda II concluded, the economic interests of Great Britain in the civil aviation realm had been secured and Concorde became an annoyance, which was returned to lower levels of government or the private sector to handle. Whitehall knew that the economic impact of the SST would always be negative and the huge investment never recouped. But that would be too convenient an explanation, and unlikely as well. Concorde remained a prestige issue, if nothing else, and the prime minister would certainly have wanted periodic progress – or lack

\(^{11}\) UK National Archives, box FCO 82/805, Telex from British Ambassador Ramsbotham to London Foreign Office, 1 July 1977. The Boeing 707 set the standard for transatlantic air travel starting in 1958. The Comet, as we have seen, initially flew in 1954.

\(^{12}\) UK National Archives, box FCO 82/805, Telex from Consul General Moreton to London Foreign Office, 7 July 1977.
thereof – reports. But why have the documents not been declassified? Perhaps the fissure between the French and British over Concorde got nasty, or perhaps it is a simple bureaucratic delay in the archives. In any case, we continue to use the American documents and the few British documents available to complete the story.

July 1977 – The Summer of French Discontent

On the evening of 12 July 1977, Paris was burning – at least with indignation against the continued delay in Concorde landing rights. The US embassy in Paris reported to the White House that approximately 1,000 protestors occupied the ground floor of the TWA offices on the Champs-Élysées. The embassy went on to report that the protest had been organized by the Communist party – one of Giscard d’Estaing’s nemeses – but it suspected that the government had also endorsed it. “The embassy comments that a number of facts point to the likelihood that the demonstration occurred with the benediction of or in connivance with the authorities. When police reinforcements finally arrived they explained to TWA that they had been delayed by traffic. Since it is no more than a ten-minute walk from the Grand Palais to the TWA offices, it strains the imagination to believe that it would take police vans, with sirens sounding, fully forty minutes to navigate that route.”\(^{13}\) The protests indicated the mood on the street in Paris. A week later, another memorandum to Brzezinski notes, “The French appear to be at the limit of their patience. The PCF and the RPR

\(^{13}\) Memorandum from The Situation Room to Dr. Brzezinski, 13 July 1977, RAC NLC-1-3-2-14-0, RAC Files, Jimmy Carter Library.
[Communist and Socialist parties in France] are demanding retaliatory action in France against the U.S. … there is talk that such action might be in the form of a boycott against U. S. carriers … another rumor is that the government might bring indirect pressure to bear on the U. S. by restrictive actions against American lawyers and bankers doing business in France.”

Clearly Concorde was touching a number of pain points; it was blamed for rising unemployment in both France and Great Britain, for the strengthening of the Communist and Socialist parties in France, for weakening the governing coalition in Paris, and for driving a wedge between the three NATO allies. That is a lot of weight of responsibility for nine small planes to bear. Yet in an op-ed piece in the *New York Times* on 13 July 1977, Anthony Sampson, author of *The Arms Bazaar*, added yet another role for Concorde to play. As President Eisenhower had warned upon leaving office, beware the military-industrial complex. In 1977, aerospace manufacturers needed to build something. And if we weren’t going to allow the French and the British to build Concorde, then they would likely turn to arms sales. “At least the Concorde idea was based on trying to sell the world peaceful planes rather than military ones. To put it at its lowest (and in the aerospace business one must look fairly low): Without such a project to keep them happy, what kind of much more serious mischief might not the British and French – those two cynical old arms-peddlers – have got up to, to try to keep their aerospace engineers happy?”

While a bit of a cynical point-of-

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14 Memorandum from the Situation Room to Dr. Brzezinski, 17 July 1977, RAC NLC-10-4-1-7-8, RAC Files, Jimmy Carter Library.
view, it places Concorde in the role of a release valve in a global arms race and adds to the plane’s weight of responsibility.

While Callaghan seemed placated by the successful conclusion to Bermuda II, Giscard d’Estaing continued to turn up the heat. On 25 July 1977, Newsweek Senior Editor Arnaud de Borchgrave sat down with the French president in an exclusive interview. The topic for the interview was détente, the arms race and economic challenges for Western Europe, but not surprisingly, Giscard d’Estaing took the opportunity to lash out at the United States and its treatment of Concorde. When asked about how a permanent ban on Concorde might affect the United States’ image in Europe, he responded:

SERIOUS damage has already been done. The United States has always been concerned about its image abroad and in certain sense President Carter’s human rights campaign reflects this concern. The Concorde affair has seriously tarnished that image, for two reasons. First, this fierce resistance against a limited European technological breakthrough appears to be quite out of proportion with the event. Secondly, the flight of governmental responsibility - with the Federal authority saying yes, then a local authority saying no, and so forth - which may strike some as the expression of democratic institutions, hits others as a structural weakness. It is utterly incomprehensible that the Concorde can land every day at Dulles Airport outside Washington without anyone talking about it while it is prevented from landing at Kennedy on the edge of the Atlantic Ocean because it will allegedly upset the ecology.

When de Borchgrave suggested that US law prevented Carter and the Federal government from mandating a conclusion, Giscard threw cold water on that argument:

That is not the issue. There comes a time when political leaders must see the issues on a loftier level. Can you imagine how Americans would react if a cantonal court in a French town decided that IBM could no longer operate in France and should close up shop? Or if you had built your SST and then France on Britain had decided it could land in Marseilles or in Edinburgh, but not in Paris or in London? You would rightly feel put out. And remember that landing rights in the United States are matter of
Federal legislation.\textsuperscript{16} This was about more than a local noise ordinance. Giscard concluded the interview by noting that specific retaliations had already been identified, should the ban become permanent. The cover story of that 25 July issue was the “Great Blackout” that had hit New York on 13 July; it was a proving to be a miserable summer in New York City.

Giscard had valid points in his argument. First, why was so much being made about noise in New York when opposition around Dulles was virtually non-existent? Of course when one considered the population density around the two airports, there was no comparison. Dulles sat in the midst of farmlands, and cows, sheep and goats rarely get a fair hearing in the media, while Kennedy was surrounded by hundreds of thousands of people. Yet the fact is that no one complained about Concorde in Washington. Second, the seesaw back and forth between local and federal jurisdiction seemed almost comical to other nations. And finally, international treaties – not local permission – covered global air transportation. Giscard was bringing his case to the press, and in this poker game of rising stakes, had gone all-in. Yet at the same time that Giscard was ranting against US discriminatory practices, he was placing his own airline executives in a no-win situation. Air France was suffering on many economic fronts, one of which was its aging fleet of fuel-hungry Caravelle jets. Executives at the French airline looked at the modern US built Boeing 727’s and 737’s as the fuel efficient, logical replacements. “But an easier way for an Air France official to commit

suicide under existing conditions – instead of proposing to buy a batch of new American Boeings – would be jump out of the company’s offices in Europe’s highest building.”\textsuperscript{17}

In many ways, the of Giscard was old news. The French president did seem to realize that he might have pushed the envelope just a bit too far. On 22 July 1977\textsuperscript{18}, he called President Carter again. In that call, he explained to Carter that “his comments on the Concorde, however, were a personal reflection of his feelings and while landing rights were not a problem between the two presidents [Carter had called for the ban in New York to be lifted during the trial period], they definitely represented a serious problem in French-U. S. relations.”\textsuperscript{19} Things were, however, coming to a head. The sixteen-month trial period was coming to a conclusion in September, in approximately forty-five days. A decision would need to be made about Concorde, in both New York and Washington. Perhaps all the Port Authority had hoped for was to delay until the trial in Washington had run its course and a permanent decision was handed down from the federal government, thereby keeping its hands clean.

A week after Giscard’s call to Carter, the British All-Party Concorde Parliamentary Group, comprised of house members of all parties who supported the British SST, met with British Foreign Secretary Dr. David Owen. Most of the meeting was simply rehashing old ground, but the idea of retaliation against the United States did surface. Dr. Owen noted,

\textsuperscript{18} \textit{Newsweek} typically issued its magazine almost a week prior to the cover date. Thus the contents were well known by the 19\textsuperscript{th} of July – when the \textit{New York Times} reported on its contents, so it is reasonable that Giscard would call Carter on the 22\textsuperscript{nd}, three days prior to the cover date.
\textsuperscript{19} Memorandum from the Situation Room to Brzezinski, 22 July 1977, RAC NLC-5-7-7-9-3, RAC Files, Jimmy Carter Library.
“reprimands were a vexed question: it would be difficult to apply them to those directly concerned, and there was a clear risk that anything we did would damage our broader interests in the United States, without helping Concorde.” J. A. Cope, Conservative Member of Parliament from Gloucestershire South further noted “the dangers of retaliatory action: an air service war would undoubtedly hurt British Airways much more than US airlines.”

The British were in a difficult position. The problem was not with the US federal government, but rather with local officials in New York. Retaliation at the commercial level or diplomatic level would be unlikely to have any effect on local interests in New York. One further comment is noteworthy. Aware of the vociferous remarks by the French, Dr. Owen remarked, “The tactics adopted by the French partly reflected the different state of their relations with the United States.”

Throughout the negotiations, the special relationship between the United States and Great Britain was never far from the surface. While Franco-American relationships were often contentious, Anglo-American relations reflected a unique commonality of interests; for the British, Concorde was not worth upsetting the applecart.

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20 UK National Archives, box FCO 82/805, Record of a Meeting, Foreign Secretary's meeting with the All-Party Parliamentary Concorde Group on Wednesday 27 July 1977.
21 Ibid.
Late July and early August proved to be quiet days for the Concorde debate. Whether a summer lethargy had set in, or both sides were girding themselves for the final round, all remained quiet on both sides of the Atlantic, at least until 18 August 1977, when Federal Judge Milton Pollack launched the next salvo in what would prove to be the final battle. Pollack had fired the first round in what is referred to as “Concorde I,” the first trip through the courts for Concorde, on 9 May 1977 ruling that the local ban violated federal supremacy.
The Court of Appeals had overturned that ruling, keeping Concorde barred from New York, but in doing so, had also sent the case back to Pollack for review and a decision based solely on whether the ban was discriminatory and not considering federal versus local jurisdiction. Pollack returned that decision on 18 August, once again lifting the ban against Concorde and launching the second trip through the courts, referred to as “Concorde II.” Pollack’s August decision was consistent with his May decision. In his 40-page decision, he termed the ban as “discriminatory, arbitrary and unreasonable.” He took the Port Authority to task head-on, noting that in spite of having “learned or confirmed that the Concorde can comply with the current monitoring requirements at [Kennedy] for jet aircraft,” it continued the “excessive delay,” and thus “the conclusion is inescapable from the evidence presented to the court, and the court finds that the Port Authority has no intentions of taking the responsibility of setting the present, or another, noise standard applicable to the Concorde.”22 In his three-page order that accompanied his decision, he remanded the Port Authority from “directly or indirectly preventing, delaying, interfering with or impeding” Concorde’s operations into New York.23

Reaction to the judge’s decision came in a number of forms. New York City Mayor Abraham Beame, during a press conference at City Hall, declared, “New York City residents are not guinea pigs and they are not fish,” referring to the remarks by Giscard d’Estaing when he claimed that Kennedy airport was surrounded by fish, not people. Beame went on to claim that Pollock’s decision “disregards the genuine interest and concerns of our people and

23 Ibid.
ignores the American tradition of home rule and local control." Some historians might argue that it was precisely that tradition which the Constitutional Convention overthrew when it exchanged the Articles of Confederation for the new Constitution. The Port Authority acted rather than pontificated; it immediately filed an appeal and requested a temporary stay of Pollack’s order until the Appeals Court issued a final ruling. Across the Atlantic, the French seemed resigned to the continuing delay; they were becoming quite familiar with the US idea of justice, or injustice, depending upon where you stood. As if watching a rerun of a sitcom you had seen a few months earlier, the Court of Appeals granted a stay of Pollock’s order on 29 August 1977 and set a full hearing for 19 September, and once again Concorde operations in New York entered a holding pattern.

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If events in New York seemed to evoke a sense of déjà-vu, events in Washington were headed in a different direction. The Carter Administration had distanced itself from the battle in New York, telling friends and foes that it had no authority to intervene. But after issuing a brief in June, and declaring its support for Concorde, it took an increasingly active role. With the sixteen-month trial period set to expire, the US government had to noise regulations that would include Concorde, as well as a recommendation for next steps.
Secretary of Transportation Brock Adams issued a lengthy memorandum to Carter’s Domestic Affairs Assistant Stuart Eizenstat and to Brzezinski, in advance of a 29 August Cabinet meeting. In it, he noted the issue at hand: “The Administration must decide whether to permit continued operations of the Anglo-French Concorde or any other supersonic transport (“SST”) in the U.S., and if so, what noise controls to impose.” Adams went on to propose a “temporary extension” to Concorde operations, “because it avoids the appearance of prejudicing the final rule and it retains desirable flexibility while permitting Dulles operations to continue without interruption.” This would be known as the “Dulles Rule,” which would permit uninterrupted Concorde operations at Dulles Airport and serve as the basis of the more inclusive DOT ruling establishing noise guidelines for all planes and airports. He also noted that “no demonstrable public health or welfare impact was indicated in the Dulles test.”

So what, one must ask, was all the fuss about?

National Security Advisor Robert Hunter also weighed in prior to the Cabinet session, highlighting the diplomatic aspects of this decision. “The British and the French have presented demarches asking that a permanent noise rule be issued …this is a reasonable position … the only real question seems to be semantic: whether the Dulles rule is called ‘provisional’ (DOT’s preference) or ‘permanent subject to the final rule.’” In this memo, there is an implicit assumption that Concorde operations will be allowed to continue; “however, if the DOT should come in on Monday (unexpectedly) and argue against issuing a favorable noise rule for Dulles, or for merely extending the period of ‘trial,’ then there will

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(rightly) be hell to pay with the British and French.”

In the same memo, Hunter notes the effect of the government’s brief in June; “it was our brief in the Appeals Court (alleging discrimination by the Port Authority) that led to this most recent decision [against the Port Authority ban].” Despite months of protestation by the Carter administration about its inability to influence affairs in New York, it was precisely the government’s intervention that turned things around. In many ways, both the administration and the Port Authority were playing the same game. The Port Authority wanted to let someone else make an unpopular decision and bear the weight of blame; the Carter Administration needed to be mandated to weigh in so it could continue to claim non-intervention. Concorde was showing the nuanced ways that decisions were made, and responsibility avoided.

The Cabinet meeting on 29 August led to two decisions that set off a flurry of negative responses. At that meeting, the Administration decided to classify immediately all further correspondence relating to the study of Concorde operations at Dulles, as well as the study itself, thereby preventing any congressional access, and in a move that emboldened proponents and enraged opponents, suggested that it might extend Concorde operations to ten additional cities, subject to local authority. Senator Leo J. Ryan, chairman of the House Committee on Environment, Energy and Natural Resources, and a long time Concorde foe, lashed out at the administration; “There’s no reason on earth that people’s lives should be shattered just to placate France and Britain and bail them out of their foolhardy investment. There are people who have their minds made up, and they’re getting their ducks in a row.

Congressman Ryan also questioned the classification of all further correspondence, and asked for a meeting with President Carter to discuss. The White House responded to the question of classification with a phone call from Press Officer and Associate Press Secretary Jerry Schecter to Ryan. During that call he explained, “that the study had been classified because it was an internal White House and Administration study that dealt with foreign policy matters and foreign governments.” A meeting with members of the White House Staff and Ryan’s House Sub-Committee was scheduled for 12 September, and Ryan submitted a long list of questions he wanted addressed. No transcript of the meeting has been declassified, but one can assume that neither party changed its perspective, given that on 14 September Ryan wrote to Transportation Secretary Adams requesting that any decision be “postponed,” as well as “requesting the so-called ‘options’ paper drafted and forwarded to the President for his consideration and labeled ‘secret’ under the provisions of Executive order 11652 in the interest of national security.” Adams responded two days later, denying the request for postponement, reasoning, “we believe that our data on the environmental impact of Concorde is fully adequate to enable us to proceed with our rulemaking … I therefore do not see any reason for delaying publication of a proposal. Noise rules for the supersonic aircraft should have been

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28 Ibid.
30 Letter from Leo Ryan to Brock Adams, 14 September 1977, “CA-2” folder, Box CA-3, WHCF-Subject File, Jimmy Carter Library.
developed at least five years go, and I mean to resolve the issue expeditiously.” For opponents of Concorde, the storm clouds were gathering.

To what degree, if any, was Carter and his administration bowing to diplomatic pressures from abroad? The majority of those pressures were coming from France; the British had taken a largely wait and see attitude after the successful conclusion of Bermuda II. In a press briefing reported by the New York Times, Secretary Adams hinted at the role French elections were playing in the decision. “Asked about assertions that the Administration was weighing the effect on French politics of an American rejection of the supersonic transport, Mr. Adams indicated that the approaching French elections had been considered. He denied, however, that any secret commitment on the Concorde was made in the recent bilateral airline talks [Bermuda II] with Britain.” If one steps back and considers the position of the Carter Administration, the situation in France could not be ignored. The Cold War was a significant factor is both internal domestic politics and foreign affairs. By all counts, the combined coalition of Socialists and Communists in France could represent close to 50% of the electorate, and posed a real challenge to Giscard d’Estaing’s centralist government. If Giscard was defeated, the first government to include Communist participation might be seated in Western Europe, and the specter of Euro-Communist just got worse. The Carter administration was balancing many priorities, and one has to wonder whether a favorable decision, so insignificant in some ways, but which might tip the scales in

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31 Letter from Brock Adams to Leo Ryan, 16 September 1977, “CA-2” folder, Box CA-3, WHCF-Subject File, Jimmy Carter Library.
European politics to keep Communists out of the French government, wasn’t an overriding issue in its increased involvement in the Concorde affair.

While Great Britain seemed resigned to letting the cards fall as they may, France continued to apply subtle pressure. On 15 September 1977, Prime Minister Raymond Barre arrived in Washington, and his schedule included an hour-long meeting with President Carter. Meetings with French politicians never focused exclusively, or even extensively, on Concorde. But Concorde was always of symbolic importance and at least cast a shadow over most meetings. This one would be no different. White House Advisor Stuart Eizenstat briefed Carter on the meeting with Barre, which fell at a sensitive time. The administration had to issue both the proposed noise rule and a ruling on what would happen after the sixteen-month trial period ended – only nine days after this meeting. Further, Carter was meeting with Congressional friends and foes of Concorde on both sides of the Barre meeting. Eizenstat suggested, “no decision should be made by you during Prime Minister Barre’s visit. Also, from the domestic perspective, making an announcement during the Barre visit could look like caving into French wishes.” Concorde’s long shadow was also affecting the domestic agenda. In that same memorandum, Eizenstat advises Carter of the potential impact that an early announcement might have; “Also there is some indication that several votes on the Clinch River Breeder 33 may go the other way if a decision on Concorde is announced before this vote, which will be on Tuesday of next week.” 34

33 The Clinch River Breeder was “an experimental nuclear power plant on the Clinch River in eastern Tennessee. Since 1970 the Government had invested more than $1 billion in the project, and the plant was seen by its backers as central to American nuclear development.” Carter was firmly against
No transcript of the meeting is available, but the *New York Times* reported that “Mr. Barre told Mr. Carter that a decision not to grant landing rights in New York … would simply not be understood in Europe and would violate American principles of fair play and free competition.” Further, the same report indicated that while Barre said “he understood the constitutional aspects of the American deliberations,” he wished that Carter would take a stronger position and declare that position publicly. Given the recent train of events, the administration had been much more open about its position, but the French wanted more. How much was Carter trying to placate the French? It was a fine line the President had to walk. The *New York Times* also reported, “The French leader was greeted at the White House by a somewhat more elaborate ceremony than that accorded other European and Middle Eastern leaders.” Never one to miss an opportunity to leave with a flourish, the French prime minister returned home on 17 September aboard an Air France Concorde from Dulles.

D-day, as in “Decision Day,” was approaching, and the Port Authority seemed to be grasping at straws. Concorde had proven that it could operate within the standard 112 decibels noise limit, so the Port Authority turned to “low-frequency vibrations generated by the Concorde’s four powerful jet engines and the potential impact on those who live or work near the airport.” In a brief filed with the Appeals Court only a few days before the 19 September hearing, the Port Authority hoped that federal agencies would assist in developing

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36 Ibid.
“A usable vibration rattle index by which pure jet supersonic aircraft can be judged.” It is unlikely anyone on the Court – much less anyone else reading the brief – had any idea of what a “vibration rattle index” might be. It looked an awful lot like smoke, mirrors and a desperate last attempt to justify its own indecision. The Port Authority was in a difficult position.

The ban on Concorde was a highly politicized decision. While the Authority was being pressured by local interests to ban the SST, none of its current metrics would justify such an action. Much of its indecision was to give it enough time to actually surface a metric that would allow subsonic aircraft to continue operations while barring supersonic planes. But so far, Concorde was proving capable of meeting existing measurements. Consequently, the Port Authority had to rely on indecision and obfuscation to keep the plane out, since none of its current operational restrictions proved capable of doing so.

On 19 September, the Port Authority had its day in court, and by all accounts, things were not looking auspicious. Chief Judge Irving R. Kaufman of the United States Court of Appeals admonished the Port Authority; “I cannot help but have the feeling that the Port Authority does not want to come to grips with this thing. It is a question of putting it off as long as you can because of tremendous pressures, which I understand … [but] it seems you do not want to approve a decision which perhaps would be unpopular and want to pass it to the courts.” As expected, the Port Authority defended itself to the Court, arguing that it had to be careful and consider all the evidence, it had to be “cautious and prudent,” to which

38 Ibid.
Judge Kaufman replied, “I believe you win hands down that you have been cautious. In fact, you’ve been intransigent.” While Judge Kaufman’s comments were acerbic, they did not mean that the Court would necessarily rule against the Port Authority. The three-judge panel agreed to consider the case in recess and issue a ruling within the next week or two. Nevertheless, the tone of the comments did not bode well for the Authority.

Ironically, while things in New York were looking up for Concorde, in London they were taking a turn for the worse. The British were always more cautious about Concorde than their Gallic partners, and the mounting losses reminded them too much of Comet and its continual hemorrhaging of red ink. A confluence of events seemed to be dooming the sleek jetliner. First, the economics of Concorde were getting worse and worse. Concorde consumed approximately the same amount of fuel on a transatlantic crossing as the B747; but while Concorde carried only about 100 passengers, the B747 carried nearly 400. The fuel cost per passenger on Concorde was almost four times that of a B747 passenger. Second, the Arab OPEC oil embargo had sent fuel costs skyrocketing, which made Concorde operations that much costlier. Putting those two factors together accounts for the third problem, which was a production run of only sixteen aircraft. Other than British Airways and Air France, no other airline had lined up to buy Concorde. A few had a flirting interest early on, but once the plane’s economics became evident, those other carriers quickly ran in the other direction. The order book stood and was closed at sixteen. So not only were the airlines losing money every time Concorde took to the air, but the $3 billion dollar investment by the British and French would never be recovered. Which led to a report from the British Parliament’s Public

40 Ibid.
Accounting Committee that concluded, “there appears to be no practical possibility of production beyond the 16 aircraft being authorized.” The report concluded that even if a new airline placed “a substantial new order, considerable losses would result if the rundown in production were reversed.”

For the British, it was largely a matter of economics. The political fallout from Concorde fell on Tories and Labor alike. In France, it was quite the opposite. Economics seemed to have little impact, but the political fallout could send Giscard d’Estaing’s centralist government packing, and install a Socialist / Communist coalition led by Francois Mitterrand.


24 September marked the end of Concorde’s trial period, and the Carter Administration issued its proposed noise guidelines and recommendation. In a policy paper put in front of the president, Carter initialed each of the five major provisions of the government’s recommendation: 1) permit Concorde with restrictions; 2) Extend current operations pending the final noise regulations (note the absence of the word ‘trial’); 3) encourage the establishment of an international noise standard; 4) should there be a second generation SST require it to meet new noise standards; 5) give to local airport operators (like NY Port Authority) the final review as long as they developed non-discriminatory regulations.

applied to all aircraft. The recommendation also opened up the possibility of Concorde service to thirteen additional US cities. While the matter in New York remained in the courts, Concorde was winning the day in Washington.

As expected, reaction came from both sides, and both shores. New York Senator Daniel P. Moynihan wrote to Carter and Brzezinski complaining of the new noise regulations and recommendation. Brzezinski dismissed Moynihan’s letter is summary fashion, noting “The President is fully aware of your view on the issue,” and attached a copy of Transportation Secretary Adam’s press statement. Congressman Leo Ryan fired off a letter to Carter in which, because of the relevant documents being classified, he objected to Carter’s use of the “so-called doctrine of executive privilege to deny information to Congress. In light of your assurances of a meaningful partnership with Congress, I cannot conceive that you would wish to make such a claim. That would simply be too reminiscent of actions of past administrations and the resulting divisiveness.”

It was not all bad news for the President from Congress. Carter received a hand written note from Congressman Sam Stratton (Democrat, New York), which stated simply, “I want to express to you my personal appreciation for the decision you announced today on the Concorde … and needless to say I believe you made the right decision.”

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44 Letter from Leo Ryan to President Carter, 16 September 1977, “CA-2” folder, Box CA-3, WHCF-Subject File, Jimmy Carter Library.
who supported the Concorde; a 12 September memorandum from Congressional Liaison Bill 
Cable listed fourteen, with Congressman Jim Wright (Democrat, Texas) noted as leader.

Across the Atlantic, French and British reaction was varied. The French, seemingly 
ever happy with news about Concorde from the United States, reacted strongly against the 
proposed noise regulations applying only to the original 16 aircraft; France’s Transport 
Minister, Marcel Cavaille, called the recommendation “inadmissible and very grave,” and 
suggested that it “throws the future of the Concorde program into jeopardy.” 46 By restricting 
Concorde operations only to the original sixteen planes, it guaranteed that no further sales of 
the Anglo-French SST would be forthcoming. And while few industry insiders believed that 
additional sales of the plane would occur, the French were correct is seeing the proposed 
regulation as the “kiss of death” for Concorde. The US Embassy in Paris reported that a 
Director of the French manufacturer Aerospatiale called the proposal, “intolerable 
interference in a country’s domestic affairs and the rights of constructors.” 47 The proposed 
regulation did impact the manufacturers and constructors of the aircraft; with no airports to 
fly to, there would be no market for additional planes. The Embassy also noted that some of 
the rancor was balanced in the press by a positive reaction to a proposed trip to France by 
President Carter. Across the channel, British reaction was more positive. A spokesman for 
British Aircraft Corporation said that the company was “quite delighted by this decision,” 
and that for the thirteen additional gateways proposed by the Administration, Concorde

1977.
47 Memorandum from The Situation Room to David Aaron, 26 September 1977, NLC-1-3-7-37-0, RAC 
Files, Jimmy Carter Library.
“would do a jolly good job for them.” The British and the French were following suit; for the British, it was a feel good reaction; for the French, it was never enough. As if to rub salt in the wounds of New Yorkers and environmentalists worldwide, on 25 September Zbigniew Brzezinski left for a trip to London and Paris – aboard an Air France Concorde from Dulles International. It was a gesture that could be easily dismissed as theatrics, but on the other hand it could be interpreted as a nuanced action in support of a key ally. There was no need for Brzezinski to fly on Concorde. His return from London was not on a British Airways Concorde, but rather on a regularly scheduled Pan Am flight to Washington; his intra-European flights were all on military transports. But France was an ally in need. It was a gesture, but it could have been made in the hopes of sending a signal to French allies.

Upon his arrival in London, he met with Prime Minister Callaghan on the afternoon of 27 September 1977. In an extract of the meeting record, it was noted that “Dr. Brzezinski confessed that he had flown to Europe by Concorde and had greatly enjoyed it. The Prime Minister expressed his conviction that supersonic travel was here to stay and said the next step should be a joint US/French/British co-operative effort to produce the next generation of SST’s.” Brzezinski reportedly responded favorably.

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49 UK National Archives, PREM 16/1494, Extract of Meeting Record between Brzezinski and Callaghan, 27 September 1977.
From this point forward, the Concorde decision seemed to go on autopilot, and the Carter administration stepped back as events unfolded. In a scathing decision issued on 29 September 1977, the United States Court of Appeals, Second Circuit, handed down a ruling against the Port Authority, against the sixteen month ban on operations into Kennedy International, and against the procrastination and discrimination in the Port Authority’s actions. Writing for the majority, Chief Judge Irving R. Kaufman noted that. “The law simply will not tolerate the denial of rights by unwarranted official inaction. If ever there was a case in which a major technological advance was in imminent danger of being studied into obsolescence, this is it.” He also chastised the Authority for hoping that by “studying the question in such a manner that the issue will disappear by sheer frustration.” He concluded this section by saying, “The hour is at hand for the Port Authority’s indefinite ban on Concorde to be recognized as an abdication of responsibility.” At the heart of Kaufman’s reasoning was the Authority’s inability to devise a consistent and non-discriminatory set of standards with which to evaluate Concorde. The aircraft had consistently proven that it could meet the same 112 decibels noise standard applicable to all other aircraft. Having passed that test, the Port Authority tried and failed to come up with another convincing set of standards that might keep the SST out while still allowing other aircraft in. Kaufman also noted that

local interests cannot always trump larger aspirations; “For, if each village and hamlet were suffered to summarily prohibit the entry of foreign-made or owned aircraft without promulgating uniform rules, it could make a sham of our country’s binding treaty commitments to subject the air carriers of France and Britain only to evenly applied ‘laws and regulation.’” And in summation, the court found, “accordingly, we affirm the order of the district court so far as it dissolves the ban on SST flights at Kennedy Airport and permits the Concorde to serve New York under conditions detailed in the federal operations specification.”

It was a devastating blow to the Port Authority, and the “villages and hamlets” surrounding Kennedy Airport. This was the same Court that had overturned the lower Court’s ruling in “Concorde I,” giving the Port Authority more time to develop a consistent standard, and giving Judge Pollack more time to study the noise standard. But this time, the Court had run out of patience; the Port Authority had squandered the opportunity, and in all likelihood, deliberately. Let the Court make the unpopular decisions; let the backlash hit the Court and not the Authority. Adding fuel to the fire, on 6 October the Appeals Court announced that Concorde flights could start immediately; normally, it would have allowed a 30-day window from the time of the decision to the implementation of the ruling. The Port Authority was down to one last straw; the flight envelope was closing rapidly.

51 Ibid.
On 7 October the Port Authority exercised its last option, and filed papers with
Supreme Court Justice Thurgood Marshall, asking for an immediate stay of the Appeals
Court order, and a full hearing in front of the Supreme Court. That same day the Supreme
Court re-imposed the ban on Concorde but only until it decided whether to hear the case. The
decision seemed to leave French and British operators nonplussed, as the delay by a few days
was not likely to impact start-up plans. In fact, according to the *New York Times*, the Court
seemed to take this into account, for “Justice Marshall did so … only after learning from the
British and French operators that they had no intentions of starting flights until about a week
from Monday.”52 It seemed to place an unusual amount of weight on the two airlines’ plans,
and foreshadowed the Court’s ultimate ruling.

New York Governor Carey lashed out at the Court and the Federal Government on
the public stage. Carey had been a long time committed foe to Concorde, but most of his
intransigence had been expressed through aides and spokesmen. But this time he went public.
Should the court lift the ban, Carey threatened to impose his own ban instead. Legal experts
questioned whether this could work. “I expect,” Carey said, “the Port Authority to take into
consideration my views that the health and welfare of the hundreds of thousands of people
[around Kennedy] deserve to be protected.”53 A day later, Carey was even more vocal. “I
want to see the highest court … say that, as Governor of this state, that I can’t take care of the

53 Richard Witkin, “Carey threatens to Veto Any Approval of Concorde,” *New York Times*, 8 October
1977.
health and security of the people who are governed in this state. That is my obligation and
duty. If I make a judgment that this aircraft is injurious to the health and security of the
homes in this state, I don’t believe the Court can stand against the Governor on that point …
If the Federal Government orders that plane in, they’d better have the 82d Airborne with it to
keep the people from choking up the airport.”54 The Governor was threatening to take on the
courts as well as the federally mandated regulations that could allow Concorde to land; it was
an act of extreme political grandstanding.

The *New York Times* devoted its editorial page to the governor’s actions on 14
October in a piece entitled, “Supersonic Plane, Supralegal Governor.” The *Times* suggested
that Carey had moved the debate away from Concorde, and “we are now pressed to debate
the merits of the United States Constitution, and a governor’s conduct. Hugh Carey has
hurled himself across the runways, much as George Wallace stood in the schoolhouse door at
the University of Alabama 14 years ago … he deserves to be run down by the force, and
logic, of law and order.” The *Times* further suggested that “when a governor loses his head
and surrenders common sense to demagoguery … when a Governor is willing to sacrifice
even respect for the law to a pursuit of re-election, he needs to be reminded that more votes
will be lost than found on his present flight path.”55 The paper also pointed out that the very
court Carey was lambasting and threatening to boycott was the same one he was appealing to
for a permanent ban. Perhaps it is never a good idea to bite the hand that feeds you.

54 Richard J. Meislin, “Carey doubts the Supreme Court Can Overrule Governor on SST,” *New York Times*,
13 October 1977.
Like the New York governor, who was very concerned with saving face with local constituents, the British were very aware of appearances. Both British Airways and Air France were ready to start proving flights as soon as the high court issued a favorable ruling. But the British were cognoscente of undue haste. “We must at all costs avoid offending the Supreme Court. They are in this context omnipotent and if they feel that we are trying to bring pressure to bear on them, they are quire liable to slap us down … it would, we think, be gratuitously and unnecessarily provocative to fly in on the 17th.”

17 October 1977 – The Decision

The flight window had closed, options exhausted, and some degree of closure reached. On 17 October 1997, the Supreme Court handed down a sentence word pronouncement: “The application for a stay, presented to Mr. Justice Marshall and by him referred to the Court, is denied.”

Carey quickly backpedaled. Whether it was the indignity of being compared to George Wallace, whether it was the cold hard reality that the fight was over, or whether it was an attempt to be on the winning side, Carey issued a statement immediately following the Supreme Court ruling, saying he would “uphold the rule of law.” He further conceded

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56 A common industry term which denotes flights designed to test out and prove the viability of operational issues prior to the start of regularly scheduled service.
57 UK National Archives, box FCO 82/805, Telex from British Ambassador Jay to London Foreign Office, 10 October 1977.
that “only the weather” could now keep the Concorde out of New York.\textsuperscript{59} These were conciliatory words from a man who seventy-two hours earlier had threatened to disobey the court and encourage protestors in New York to block access to the airport. Not unlike an adolescent caught in a lie, Carey seemed to be saying, oops, I didn’t really mean it. The governor did lash out at the \textit{New York Times} and its editorial, “To compare me and my record on civil rights and upholding the rule of law with the obdurate and irresponsible actions of Faubus and Wallace simply doesn’t fly.” \textsuperscript{60}

Across the Atlantic, the French Transport Minister, Marcel Cavaille, never at a loss for words, termed the decision, “the confirmation by the highest legal authority in the United States of Concorde’s landing rights in New York – at the end of a cascade of court proceedings.”\textsuperscript{61} Neither British Airways nor Air France planned to waste any time. Both airlines announced that forty-eight hours after the Supreme Court decision, the first Concorde proving, or test flights, would arrive in New York. Both sides braced for what might greet the sleek Concorde transports; to what degree would New Yorkers take to the streets – and runways – to protest the planes? In a confidential memorandum from the Situation Room for President Carter, it was noted, “It is not yet clear whether the Governor will carry out his implied threat, or the impact of demonstrations at JFK beginning Wednesday.”\textsuperscript{62} And the Courts had never denied the Port Authority the right to impose noise restrictions – they

\begin{footnotes}
\item[62] Memorandum from The Situation Room to President Carter, 17 October 1977, RAC NLC-10-5-6-13-5, RAC Files, Jimmy Carter Library.
\end{footnotes}
simply had to be non-discriminatory. Would the Port Authority devise something slightly less esoteric than a “noise rattle index” in the near future? The Carter Administration, after having filed the amicus brief and supported the revised noise regulations, stepped back and let the cards fall as they may – reasonably assured that they had played the winning hand. It was a high stakes game of poker; this time it was the Port Authority that had gone all in, and lost.

The twin landings of the Air France and British Airways Concordes on 19 October at Kennedy Airport seemed almost anti-climactic. The flights were operational test and proving flights, with scheduled passenger service set to start on 22 November 1977. The *New York Times* reported, “After a 19-month battle, the supersonic Concorde airliner made its maiden flight into New York yesterday with modest noise, no organized demonstrators to greet it, and nonpaying officials and test teams as its only passengers.” Those on the ground, who greeted the arrival of the first SST to operate into John F. Kennedy International, expressed “general surprise at how modest was the plane’s noise output, at least on landing.”

Not everyone was impressed. Carol Berman, one of the leaders of the anti-Concorde groups commented, “they call it a slender, graceful bird. It’s not. It ‘s a vulture spewing black smoke. This was no test. Wait until it takes off fully loaded … then you’ll hear the noise.”

New Yorkers wouldn’t have to wait long, for the first takeoff was scheduled for the next day - fully loaded with dignitaries and invited guests.

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The next day Concorde took off on a three-hour trip out over the ocean and then back into Kennedy, as part of its operational testing. For opponents of Concorde, it was the lack of noise that was most deafening. The Port Authority acknowledged that the Concorde had met the legal noise limit (112 decibels) by a wide margin. In fact, to many it seemed quieter than a number of sub-sonic jets that took to the air before and after it. “It was the almost unanimous opinion of both friends and foes of Concorde that the two Boeing 707’s that came by during the same general period generated a louder and more annoying noise.”

So why all the fuss; was the entire noise battle just much ado over nothing? The answer, as with most battles in the diplomatic and political arenas, is yes and no. Politicians in New York needed to respond to the concerns of their constituents and come up with a justification for keeping the Concorde out. It had little to do with facts or actual metrics; it had a lot to do with garnering votes. If the people who lived around the airport wanted the Concorde out, then the politicians had to find a reason. On the other hand, Concorde was a noisy, gas-consuming beast. And while Concorde was starting operations in the mid 1970’s, first generation sub-sonic jets were about to give way to a more fuel efficient, quieter second generation. Concorde was neither the worst of the worst, nor anywhere near the best of the next generation.

The first commercial flights took place as planned on 22 November 1977. The British, always concerned with appearances, and ever protective of the special relationship with the United States, struggled over the passenger list for their first flight. The idea of

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having a member of the Royal Family on board was first entertained in August 1977. But as the date drew near, the British thought otherwise. “While HRH the Duke of Kent, in his BOTB role, fit more comfortably into the business theme, the accusation of rubbing salt into the wounds would remain a risk. There is the further point I mentioned on the telephone that, 22 November being the anniversary of President Kennedy’s assassination, the presence of a member of the Royal Family might be represented as showing, at the least, a lack of sensitivity.”

The French did not need to worry about enplaning royalty on their Paris to New York inaugural, but they did manage to mark the occasion with an appropriate historical exclamation mark. Onboard Concorde’s first flight to New York was 81-year-old Maurice Bellonte, who had traveled on the first Paris to New York flight in 1930. Mr. Bellonte is reported as saying, “It was not a difficult flight. I had no time to get tired.”

There were, however, plenty of tired people on both sides of the Atlantic who had spent ten months pleading, posturing and planning for these first flights.

Opposition to the sleek supersonic never completely dried up; the Port Authority never completely gave up trying to find a way of keeping Concorde out by proposing new noise metrics. The EPA seemed to be working in cahoots with Concorde opponents to keep Carter awake at night. A late October White House Nightly Report notes, “The Environmental Protection Agency (EPA) has been writing letters to the PONY [New York Port Authority] and the Environmental Defense Fund, suggesting ways that an anti-
Concorde, but non-discriminatory, noise rule can be written. This is, of course, within the mandate that the EPA has from Congress … we are following this … to see whether EPA gets clearly out of line with the President’s overall policy.” The Port Authority quickly jumped on one of the suggestions, and proposed a new noise rule that would go into effect in 1985, well after the last of the first generation sub-sonic jets was to be flying, but clearly aimed at ending Concorde operations. A telegram from the US Embassy in Paris to the State Department in December 1977 notes, “There is relief that Concorde operations at New York have gone smoothly, but serious concern about the political fallout from the latest Port Authority action, which would ban Concorde from 1985.” Nor did Representative Leo Ryan go away quickly. He continued to press the White House for information about the diplomatic negotiations over Concorde; “Representative Ryan is still trying to get testimony on the foreign policy actions … State is going to say they can only send an assistant legal advisor … we do not want to be in a position of being questioned on the threats made by the French.” The comment makes one consider how much pressure had the French applied? To what degree was the administration’s more active participation in the case due to pressure from Giscard d’Estaing, and what exactly was it the Carter Administration was afraid of Ryan asking?

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70 White House Nightly Report, Brzezinski to Carter, 13 November 1977, RAC NLC-10-6-4-13-6, RAC Files, Jimmy Carter Library.
The British saw cause for concern over the Port Authority’s proposed new noise restrictions and both Carter and Callaghan got involved. It was New Jersey Governor Brendon Byrnes who saved the day by exercising his veto over the Port Authority proposal. As we saw months earlier, Byrnes had always harbored a desire to see Concorde use New Jersey’s Newark Airport instead of New York JFK. Carter wrote to Callaghan, “As you know, I have been concerned that Concorde gained a fair trial at Kennedy Airport … since the Port Authority adopted a noise rule that would have banned Concorde from airports in the area after 1985, we have been working to have that decision declared null and void. We have just heard that Governor Byrne of New Jersey has vetoed [it] … we urged Governor Byrne to take this action and I am pleased by it.” Carter’s comments clearly indicate that he continued to steer events. While Carter had started out in early 1977 claiming that this was a purely local issue, by the end of the year, he was exerting federal pressure.

Callaghan responded, “I am most grateful to you for having asked Governor Byrne to take this action since the Port Authority’s attempt to exclude Concorde by 1985 has caused both us and the French considerable concern, after all the effort that had been put into achieving the support of Concorde services into New York.” He signed the letter warmly, wishing the President and his wife Rosalynn best wishes for the coming New Year from both him and his wife Audrey.

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71 UK National Archives, PREM 16/1494, Letter from US President Carter to UK Prime Minister Callaghan, 27 December 1977.
72 UK National Archives, PREM 16/1494, Letter from UK Prime Minister Callaghan to US President Carter, 28 December 1977.
It would be easy to overestimate the impact Concorde had on US, French and British diplomatic relations in the first year of the Carter Administration, but it would be foolhardy to underestimate it. Concorde, in a sense, is a study in how nuanced, how volatile and how subtle, foreign policy can be; it provides insight into the problems that can arise when domestic agendas clash with foreign policy – as they so often do. It demonstrated how local decisions could reverberate in a global marketplace. Concorde was largely about economics, yet it ended up as a problem for the State Department. Concorde should have been about commercial operations between three countries under bilateral agreements; but it ended up on the desk of the President of the United States. If anyone should have feared Concorde, it was the bean counters at British Airways and Air France; but instead it threatened to lead to the fall of a government and the rise of Eurocommunism. Concorde became symbolic of how global, alled and local politics can clash, resonate with rhetoric, bluster and posturing, and play out on the public stage. At the same time, it showed how nuanced the backroom negotiations of foreign policy can be, with veiled threats, implied retaliations, and hints of undesirable consequences. Concorde was about perception, about national pride and prestige, and about emotion; at times the Concorde debate seemed irrational. And in many ways, Concorde demonstrated the special place that global air commerce and air transportation has as an adjunct of foreign policy. It is not just a commercial proposition; it is a country’s flag, honor and prestige that is landing in each foreign country. There was, truly, nothing quiet about Concorde.
This paper has looked to the source documents to create a narrative and to tell a story. It has used two sets of documents, one from US Presidential archives and the other from the British National archives. Taken together, they create a panorama of the Concorde debate. Both sets of documents tell essentially the same narrative, for meetings, dates, visits and decisions happened at specific moments. But each set sheds a light on very different motivations and concerns; they serve as a lens on the players in each country and on what they wanted; they clarify the actual stakes for each nation.

In looking at the American documents, it becomes clear that the federal government had no vested interest in allowing Concorde to land, or not to land, beyond upholding its treaty obligations. It was a decision in the hands of state and local government, and eventually the courts. Arguably, the federal government leaned towards keeping Concorde out, given the success of the environmental lobby in killing the United States' own SST eight years earlier as well as Carter’s campaign statements supporting a ban on Concorde operations. The archives do not reveal what pressure the federal government might have been under from non-state players. Certainly US aircraft manufacturers could see Concorde as a threat to their supremacy in aerospace manufacturing, and US airlines such as Pan American and TWA would view it as competition. But sadly, the Boeing archives, the most authoritative record of both Boeing and McDonald Douglas corporate activities, are closed to the public.

British interests were conflicted. The British documents confirm the same narrative as the American documents, but they expose a degree of tension and trepidation. Any
significant break with the United States was likely to have far greater consequences for the British than the Americans, and ministers at all levels seem to be aware of this; they often warn that a British response must always be weighed against possible damage to Anglo-American relations. They continually had to balance the multiple alliances - partnership with France over Concorde, and the special relationship with the United States. Further, the documents reveal a high degree of involvement by the Prime Minister's office. While Callaghan was only involved in the day-to-day negotiations when specific events required his intervention, the documents show that his office was continually kept up to date about developments and options. Finally, the British documents reveal linkage to the Bermuda negotiations, and the success of that new treaty seemed to diffuse the British focus on Concorde. Nor can one dismiss an undercurrent of concern that they had once again embarked on a project that was destined to hemorrhage red ink forever but from which there was no exit; the agreement with France specifically prohibited any one party from ending its participation.

There is a third set of the documents, those of the French Archives, which were out of scope for this paper. They undoubtedly expose an even more vitriolic correspondence between internal government officials; the public rhetoric by Giscard and the French was neither muted nor reserved.

Perhaps more than anything, Concorde was an artifact of an era already past, a time when speed and power, rather than social and environmental responsibility, defined the global aerospace mission. I recall vividly one day in early 1998 standing outside the Hatton
Cross tube station, the last stop before the Piccadilly line enters Heathrow Airport proper. It is located at the departure end of one of Heathrow’s many runways. Waiting for a colleague, I recall a number of takeoffs from the then active runway; then, out of nowhere, came a noise so loud, so remarkable, and so unexpected, that I looked up and saw British Airways ‘Speedbird’ 003 heading for New York, a late afternoon Concorde departure. As the plane’s four turbojet engines literally reverberated through the entire station and car park, and as I watched the flames shoot out from the engine’s after burners which gave the needle nosed transport the power it needed to get off the ground, I was struck at how marvelous and how anachronistic the plane had become. Concorde’s siblings, the B707’s and DC-8’s had given way to the quieter and more efficient B767’s, B777’s and the Airbus family of second generation jets, but Concorde continued to ply the airways, continued to turn heads, gulp fuel, and remind those on the ground of a time gone by. Standing in front of Hatton Cross, I was reminded, even then, there was nothing quiet about Concorde.

On 25 July 2000, a Continental DC-10 operating from Paris Charles De Gaulle to New York Newark, commenced its takeoff roll shortly after 2:40 PM; passengers sitting on the right hand side might have seen the glistening Air France Concorde that was next in line, but were certainly unaware of the metal strapping that fell off the three-engine wide-body jet. Minutes later, the Air France Concorde F-BTSC turned onto the active departure runway 26 right, and at 2:42 PM released the brakes; 152,000 pounds of thrust with after burners blazing propelled the Concorde forward. Somewhere near mid-point down the runway, passengers sitting in mid-cabin and rear-cabin might have heard a dull thump; tragically, it was the last
thing they would ever hear. At 2:43 PM, Concorde lifted off the runway, while a trail of flames resembling an airborne comet began to engulf the majestic plane from its number two engine. Past the point of no return, Concorde continued its climb, the fire spread, and the pilots lost control of the doomed aircraft. At 2:44 PM, Air France flight 4590 crashed into the Hotelissimo at the edge of Charles De Gaulle, one massive fireball which created the doomed plane’s own funeral pyre, killing all 100 passengers, nine crew members, and four people in the hotel. Like its tragic cousin, Comet, the crash was the beginning of the end.

A bizarre chain of events had sealed the fate of Concorde; the Continental DC-10 had left a piece of metal strapping on the runway. Concorde ran over the strip of metal, and it punctured a tire. Debris from the tire then punctured the fuel tanks, and the flames from the after burners set the leaking fuel afire. Within seconds, the plane’s fate had been sealed. As with Comet, engineers, architects and designers tried to find a fix for the exposed fuel tanks. As with Comet, sixteen Concordes languished in Paris and London for almost two years, their airworthiness certificates withdrawn. And like Comet, once a fix was found, time, technology and desire had passed it by. Nine of the original sixteen aircraft were modified, and on 7 November 2001, they returned to service. But by then, the operators had lost their heart and enthusiasm for the plane and the fight was gone. On 24 October 2003, three Concorde aircraft made a carefully and meticulously orchestrated and choreographed landing at London Heathrow, marking the end of commercial supersonic flight. Perhaps no more beautiful, concise, or poignant obituary was written than an editorial in Le Figaro the day after the crash outside of Paris; “without doubt, Concorde died yesterday at the age of 31. All
that will remain is the myth of a beautiful white bird."\textsuperscript{73} Of course, not everyone mourned its passing. Following the crash, New York Congressman Anthony D. Weiner commented, “for those of us who live in the shadow of this noisy monster, there aren't too many of us who are sorry to see it go.”\textsuperscript{74}

\textsuperscript{73} Editorial, Le Figaro, 26 July 2000; David English, \textit{The Air Up There}, 76.
CHAPTER FIVE: RECAPITULATION

I have seen the science I worshiped, and the aircraft I loved, destroying the civilization I expected them to serve.
Charles Lindbergh - *Of Flight and Life* (1948)

They deny the deed, but in their conflicting and misleading protestations, the Soviets reveal that, yes, shooting down a plane — even one with hundreds of innocent men, women, children, and babies — is a part of their normal procedure if that plane is in what they claim as their airspace.

If one leaves the white, pristine beaches of Waikiki, Hawaii and heads southwest across the Pacific, 2,844 miles later one will arrive at the world's smallest republic, the island nation of Nauru. Finding oneself on an island mid-Pacific, one would expect translucent aquamarine colored waters, island breezes wafting through palm trees, and lush tropical landscapes. Instead, with a total area of 8.1 square miles (by comparison, the District of Columbia is approximately 8 times larger at 64 square miles), and a population of nearly 10,000 people, one arrives at a nation in serious trouble. Its economy was dependent upon the mining of phosphate, which created an environmental nightmare. Today, eighty percent of the island’s surface has been strip-mined, its phosphate stocks depleted, its unemployment rate at ninety percent, its population having dropped from 11,885 in 2000 to 10,000 toady.

1 In the *sonata-rondo* form, the recapitulation is the concluding movement, where the symphony returns to the tonic and dominant themes. It is the conclusion, a restatement of what has been covered, and a summary of the material presented. This chapter summarizes what happened in the two case studies, how they demonstrate the importance of commercial air transportation in foreign policy, and how commercial air policy was often used as a bargaining chip in larger negotiations. This chapter tries to answer some of the basic questions surrounding the intersection of global air transport, foreign affairs and diplomatic negotiations.


and its economy in tatters. Yet nestled on the southeast corner of the tiny island is its single runway international airport, poised for the burgeoning tourist trade that never seems to come. Nauru has a national airline, prosaically named Our Airline, and its fleet consists of two Boeing 737-300 aircraft. Based on the average capacity of these two aircraft, the entire population of the island could take a flight every other month, or six times per year. Of course, no one on the island could afford to do so, with almost the entire population out of work. Put another way, based on the average cost of a used B737-300, purchase of these two aircraft consumed twenty-five percent to thirty percent of the nation's entire gross national product. Why would a desperate nation do such a thing?

Because one way that a nation displays its prestige is through a national airline. One cannot overstate the importance of an aircraft that flies the national flag into other nations' airports. The country may not be able to feed its people – a serious issue in Nauru where the per capita GNP is only $2,800 – but it has to show its best face to the rest of the world, and often that is done through its national airline. The people of Nauru, who have plenty of time to fish for seafood, which luckily is abundant and free, are never likely to reap any benefit from a national airline; but for their government and diplomats, it is one small glimmer of success for a country otherwise well down the road to disaster.

When a government is unable to feed its people, unable to provide employment, and unable to maintain even the most basic essential services, it defies all logic to spend a quarter of its GNP on two commercial aircraft. Yet that is precisely what the government of Nauru did. Which only serves to underline the importance that governments place on using a
national flag carrier as their external face to the world. This transcends economics; it is entwined with a nation’s image, its prestige and its diplomatic standing. If Nauru can overextend its meager resources to support a national airline, it is little wonder that Great Britain would have taken the United States to the mat during the Bermuda II negotiations.

A national airline is the face of a nation. It is a readily identifiable symbol, far more accessible for many than the byzantine workings of government. In the 1970’s, during the period covered by the two case studies in this paper, virtually every nation of any size had a national airline, and with one notable exception, that airline was state subsidized; the exception was the United States. In Great Britain, British Airways was the state airline, the national flag carrier. While it would have been nice had it turned a profit, it was not a requirement since the British government provided operating subsidies. This placed the British carrier in a much tighter and more formal relationship with its government than US airlines were with their government. There were privatized airlines in the United Kingdom, such as Laker and British Caledonian, but these were of secondary concern to the government and, in particular, to the Foreign Office. When a government official traveled, when the Royal Family traveled, they flew British Airways; when the United Kingdom opened new air routes to a new destination, the service was inaugurated by British Airways. Consequently, when the British negotiators were arguing for continued forms of protectionism, they were protecting their own flag carrier, British Airways.

The United States was the exception; it had never formally designated any one airline as its national flag carrier. That was, however, a formality. For all practical purposes, since
its inception in 1928, Pan American World Airways was the national flag carrier of the United States, otherwise known as the “chosen instrument,” in everything but name. Pan American served the US government in the late 1920’s and throughout the 1930’s as its unofficial ambassador in Latin America, extending the US sphere of influence into areas where the US government had little access; pioneering air routes across the Pacific that served to link American interests from Hawaii to the Philippines; and providing planes and personnel to the US military prior to World War II when both the Air Force and Navy had little experience, capacity or capability to span the Pacific by air. Yet in comparison to Great Britain, the United States got off “cheap.” While it derived all the benefits of having a national flag carrier, it shouldered none of the costs; the United States provided Pan American with no direct operating subsidies. In spite of there being no formal relationship, “Pan American” and “US national flag” carrier were virtually synonymous. For example, Business Week noted in a 1968 article that no airline was ever more closely associated with the United States than Pan American World Airways:

Pan Am is the most politically oriented airline in the country. It is still widely considered a private instrument of U. S. foreign policy. When brush fire wars loom, it is usually Pan Am that is called upon first to divert jets from regular runs to evacuate American nationals in danger. And when demonstrators, angry at some U. S. policy or action, burn down the U. S. Information Agency Library, the Pan Am ticket office is usually next in line.

It is no small wonder that commercial aviation is very much in the province of foreign policy and diplomatic affairs.

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4 The United States provided only indirect subsidies to US airlines through mail contracts. Periodically, US airlines would be invited to bid for contracts to carry US mail over new and existing routes. Although in theory competitive, Pan American in many cases was the highest bidder yet repeatedly was awarded the contract. Many saw this as the US attempt to provide indirect subsidies to its chosen instrument.
When the United States and Great Britain faced each other over the negotiating table during the Bermuda II talks, they came from decidedly different positions. The British were arguing to protect their own national flag carrier, British Airways, and in turn, their own vested interests, since the British government was, through subsidization, the de-facto owner of the company. The Americans were trying to create an agreement favorable to US interests, to increase US revenue and to protect US trade and transportation from encroachment by British protectionism, but they were not looking to protect Pan American in particular. Where the British wanted to make sure that British Airways had every opportunity available, the United States cared not whether it was Pan American, TWA, Delta or Braniff that shared the same opportunity, just that some US airlines did. The United States took great pride in the collective accomplishments of its commercial air carriers, but unlike other countries, which had only one global flag carrier each, the United States enjoyed an embarrassment of riches, supporting several international air carriers. In Germany, for example, Lufthansa carried the German flag into countries around the world; by contrast, Pan American, TWA, Northwest, Delta, American and Eastern took the Stars and Stripes around the globe. By the mid-1970’s, the United States was not playing favorites.

Similarly, when a country is a producer of commercial aircraft, these planes become a symbol of that country’s technological leadership. Take, for example, the Soviet Union and the slightly unorthodox trip that brought Soviet Premier Nikita Khrushchev to meet U.S. President Dwight Eisenhower. The two leaders were poised to hold a summit in Washington during the early fall of 1959. At that time, the British had relinquished the lead in producing
a pure jet commercial air transport to the United States, as we saw in the Comet debacle, but the Soviet Union was still intent on building a bigger, faster and longer range transport than the United States. The Tupelov TU-114 was the only aircraft in the Soviet fleet that could fly from Moscow to Washington non-stop; it would also be faster than the comparable US product, the DC-6 and DC-7, carry more people over greater distances, and its engines produced more thrust than the Pratt and Whitney power plants on the US entrant.

Unfortunately for Khrushchev, at the time of his 15 September 1959 visit, it was also experimental, was still undergoing rigorous testing, and had microscopic cracks in its engine, all of which did nothing to deter the Soviet Premier. He insisted, against all reasonable advice, on flying the TU-114 to Washington. But Khrushchev was also a prudent man; while the jet transport crossed the North Atlantic, a flotilla of Soviet fishing, cargo and tankers formed a life-line underneath the jet, in the event the engines failed or exploded, precipitating a rescue at sea. 

Why would the Soviet Premier literally risk life and limb to fly an unproven, unstable and unsafe transport to Washington? Because Soviet prestige was on the line. The commercial aircraft industry was an important part of the Soviet Union’s industrial, technological and military resurgence after the war. Besting the United States and Europe with a bigger and faster aircraft was sending a message to the world that the Soviet Union could and did compete. So is it any wonder that Valery Giscard d’Estaing staked so much, risked the relationship with a key ally, and dared to take the United States to task over Concorde?

The character of civil aviation and its relationship to foreign affairs changed dramatically after the Second World War. Prior to 1940, commercial aviation was largely elitist and extremely limited scope. It served a very small number of international destinations. By the mid 1930’s, Pan American World Airways had launched service across both the Atlantic and the Pacific, but even that was geared toward a very small, wealthy clientele. In many ways, the Second World War changed people’s perceptions of commercial aviation. They saw it fundamentally transform the nature of travel, and yet in Europe and Asia Pacific, it hinted at future dangers. In 1944, *London Times* provided an interesting perspective on the divergence of perspective on either side of the Atlantic. “In the United States the aeroplane was regarded as a vehicle of trade; in this country it seemed to be regarded as an evil thing which must be controlled lest it spew out death and destruction.”\(^6\)

President Franklin Roosevelt understood the fear that many Europeans shared over the airplane; “When we think of the speed and long-distance possibilities of air travel of all kinds to the remotest corners of the earth, we must consider the devastation wrought on the people of England, for example, by the new long-range bombs.”\(^7\)

Three events that galvanized the public's attention bring to light the complexity of international aviation, and why it falls to executive leadership and foreign offices rather than the regulatory oversight that governs domestic airline operations. Global air transportation has the ability to bring economic benefit through trade and tourism, but it also has the ability

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\(^7\) Ronald Reagan Radio Broadcast, 5 September 1983,  
to easily breach national security and internal borders. On the surface, commercial airliners seem to be technical marvels of a benign nature, but in reality they are complex agents of foreign policy, and in the wrong hands, weapons. They can, as we will see below, become weapons of political dissent that lead to the rupture of relations between countries, become the weapons of terrorism that bring reprisal on a global level, and become the targets themselves of direct reprisal. Permitting an airliner to cross national borders entails significant trust and compromise; more than mere machines, commercial airliners can quickly become the symbols and agents of dissent, partisanship, and in the worst cases, terrorism.

Larry Patton McDonald was an ardent supporter of conservative politics, opponent of communism, and believer in espionage and counter intelligence in support of US Cold War efforts. On 1 September 1983, the American congressman from south Georgia was traveling onboard Korean Air flight 007, in route from Anchorage to Seoul, Korea. As the Boeing 747 crossed over the Sea of Japan, near Moneron Island, it veered into restricted Soviet airspace and was intercepted, then destroyed by Soviet MiG fighters. The Soviets at first denied the incident ever happened but then accepted responsibility while maintaining that the plane was on a spy mission. Yet the facts remained: a commercial airliner had crossed a sovereign boundary without permission, and the threat was considered so great that the response was swift and immediate. The attack on Korean Air 007 had all the trappings of an espionage thriller. It was a Cold War stare-down between two superpowers; it included charges of

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spying and counter-spying; and it involved a highly visible and immediately recognizable symbol of global transport – the commercial airliner. It had the potential to trigger World War Three.

Whether the aircraft actually carried espionage equipment was less relevant than the fact that it had the potential to spy on Soviet military installations and exercises. President Ronald Reagan, in addressing the nation immediately following the incident, noted “They [the Soviets] deny the deed, but in their conflicting and misleading protestations, the Soviets reveal that, yes, shooting down a plane – even one with hundreds of innocent men, women, children, and babies – is a part of their normal procedure if that plane is in what they claim as their airspace.”

Commercial airliners carry their own cloak of secrecy. When the U2 spy plane was shot down in 1961 over the Soviet Union, the United States revealed that it had created a special aircraft that literally flew beneath the radar. A commercial airliner is very much on the radar, but being a civilian rather than military aircraft, it enjoys certain immunity from suspicion and benefit of the doubt; could there be a more perfect vehicle for covert operations? The Soviet downing of KAL 007 was understandable: an aircraft had entered protected airspace, whether in error or on purpose. The Soviets had no way of determining whether that plane carried just passengers or passengers as well as espionage equipment.

Driving a number of hours north of London, one enters the beauties of the Scottish Highlands, and eventually one comes to the idyllic borough of Lockerbie. Today, a small

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stone in a small park and cemetery stands as a memorial to an event that occurred almost thirty years ago. On the morning of 21 December 1988, Pan American World Airways flight 103 departed Frankfurt’s International Airport heading for New York, with an in route stop in London. After a change of aircraft and taking on passengers, freight and fuel at London Heathrow, flight 103 lifted off at 6:25 PM. Thirty-seven minutes later the flight went down in history as an iconic symbol of global terrorism. An American plane, destined for the United States, through a security breach in West Germany and a lack of oversight in Great Britain, was brought down by a Libyan terrorist over Scotland. All 261 passengers on board were killed, as well as eleven victims on the ground. Perhaps no one event better encapsulates the broad reach of international aviation. This seemingly simple flight from Frankfurt to New York was touched by no fewer than five different counties and has global implications right to this day, when the fate of the one convicted terrorist is still making front page news. Commercial aviation is not simple, particularly when it crosses borders.

On the morning of 11 September 2001 a nation and the world watched in disbelief as the symbol of American financial might, the World Trade Center in New York, and American military might, the Pentagon in Washington DC, fell to the hands of international terrorists. The tools of destruction deployed by Al Qaeda were not bombs or missiles or chemical weapons but four commercial airliners. If government officials or the public at large still needed to be convinced that international aviation was more than just moving

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people and cargo from point A to point B, but had the potential to threaten the security of each and every citizen of each and every nation, the proof was unfolding in real time on television sets around the world. Commercial airliners in the hands of ideological fanatics had the power to terrorize an entire nation, jeopardize the freedoms that people took for granted, and launch an armed conflict that ten years later was still consuming lives in war-torn Afghanistan. As the world watched, the words of Charles Lindbergh, uttered fifty-three years earlier, seemed prescient; “I have seen the science I worshiped, and the aircraft I loved, destroying the civilization I expected them to serve.”

The attacks of 11 September did more than take the lives of nearly 3,000 innocent people. They unnerved an entire nation; they led government to suspend essential freedoms that all Americans had taken for granted; and they changed perceptions of commercial airliners. Average citizens no longer saw commercial airliners as passive modes of travel; suddenly they saw invasive security procedures at the airport, heightened security measures on every flight, and racial profiling. In this case, the airliners themselves had not even crossed national borders, but the people directing their paths of destruction had. The 11 September attacks were the proof points of why airlines and airliners were not given free hand to fly when and where they liked; rather they demonstrated what could happen when left uncontrolled. The fact that terrorists had used domestic airliners to stage their attacks was probably a fundamental success factor, for foreign airliners have historically been treated with less restraint.

Prior to these three events, diplomatic discussions concerning commercial aviation largely focused on protecting economic interests, protecting national industries and protecting national airlines. In many ways, Lockerbie, KAL 007 and the events of 11 September were game changers. For many years, civilian airliners had been used for political purposes, the most visible being hijackings. But hijackings usually resulted in inconvenience and cost to the airliners, and an unscheduled trip to a country usually off limits for the majority of passengers; most passengers eventually returned home. Lockerbie raised the stakes.

This paper tested a number of tenets. Above all, it posited that commercial aviation affects foreign policy to a degree rarely acknowledged and seldom studied. Both France and Great Britain had staked considerable time, money, prestige and effort on Concorde; access to the all-important New York port of entry was not left to commercial interests to settle. The heads of state of all three countries, Valéry Giscard d’Estaing in France, James Callaghan in Great Britain, and Jimmy Carter in the United States got involved in a matter that seemed on the surface to lie in the jurisdiction of bean counters and business. Yet Concorde was important; France in particular identified its national prestige with it. The supersonic airliner was the symbol of French advancement in aerospace technology and French leadership in Europe. Concorde’s success would reflect well on the French people, their hopes for the future, and their current government; Concorde’s failure would cast a shadow over French technologies, their industries and economy, and their government. Concorde was too important to trust to anyone but the heads of state. While one might scoff at the idea that
Concorde’s failure could precipitate the rise of Eurocommunism, the possibility was too real to be ignored. While the failure of Concorde alone might not bring communists into the French government, it might perhaps be the proverbial straw that broke the camel’s back—or, in this case, the back of Valéry Giscard d’Estaing.

Commercial aviation affects the development of foreign policy; nations use commercial air transport as an adjunct to their foreign policy agenda. The British and the French saw Concorde in very different lights. For the British, it was not an end to itself. Rather, it was a bargaining chip towards a more important policy initiative, the Bermuda II agreement. The British saw little upside to Concorde; they acknowledged it as the financial failure it was and were more concerned with minimizing their losses than pushing Concorde on a reluctant ally. They were far more interested in protecting and expanding their role in a much larger and more profitable affair, securing a greater profit from the flights over the North Atlantic between the United States and Great Britain. Concorde was a sacrificial lamb in the Bermuda II negotiations. It was one of the bargaining chips that the British could quietly withdraw from the table in exchange of US concessions. Why had Great Britain even included it during the negotiations? In part it was an accommodation to pressure from members of parliament who were upset by New York’s refusal to let Concorde land. In part, it was a similar accommodation to the French. And it was something that British negotiators could easily give up. British negotiators understood that Carter and the federal government could not dictate policy in New York, but they also knew that in the give and take of negotiations, this was something they could give. But it was very much a part of the process;
without Concorde, the British would have had one less card to play. For Callaghan and his team, protection of commercial air interests were of paramount importance and Concorde was used at the means towards a greater end. And they understood that dropping Concorde would have no affect on the outcome of the legal battle over landing rights.

For the French, Concorde was the end itself. The French had staked too much to let it go. Giscard d’Estaing took the Concorde debate to the media circus and the public stage. His rhetoric was impassioned, acerbic and vituperous. He was staking his political future on Concorde’s success. For him, Concorde was not a bargaining chip; it was the end goal. The Concorde debate provides ample evidence of how commercial aviation can be used by diplomats as both the means to the end and the end itself. For the British, it was readily jettisoned along the way; for the French, it was pursued with passion, even at the cost of good will, friendship and amity among allies. Commercial aviation matters, either as one of the implements in the diplomats’ bags of tools, or as a critical link between nations.

The Concorde affair also demonstrated the close relationship between foreign policy and domestic agendas. The local politics of New York City inserted themselves. Local politicians delayed more than just a plane; they held hostage French pride and prestige. New York’s Kennedy airport was not surrounded just by fish, despite the French president; it was surrounded by voters. Local New York politicians identified Concorde as a cause célèbre that could be used as political capital. Ignoring the larger implications of US relations with two allies, local politicians made Concorde part of their domestic agenda. In the case of
Concorde, only the Supreme Court could finally decouple domestic politics from foreign policy.

Finally, this paper posited that foreign policy is developed more often through subtle inflections than with bold brush strokes, that policy making is a nuanced affair. Rarely did the negotiations between the US and Great Britain over Bermuda II make it to the public stage. Clearly the potential effect on commercial carriers on both sides of the Atlantic was closely watched and monitored, but diplomats met and worked largely behind closed doors. Callaghan and Carter nudged, poked and prodded, but they interjected only when requested. While both sides traded barbs, rarely did they sling arrows. The Bermuda II agreement was hammered out through subtle concessions and backroom dealing. Not even Jimmy Carter fully understood how the negotiations were proceeding when he signed the order to terminate air services and then went to bed. The signs that were passed between negotiators were rarely dramatic and most often inferences rather than blunt statements. The ultimate breakthrough came as a result of months of negotiations that swung from optimism to pessimism and subtle changes in position on both sides. The agreement was far from perfect, but it demonstrated the manner in which diplomatic problems and agreements are developed. In the world of diplomacy, patience is not just a virtue, but a necessity.

Bermuda II presents a micro-study of negotiations between. First, in large part, both Carter and Callaghan served as the mouthpiece for their respective sides. Neither Carter nor Callaghan knew much about Bermuda I or the issues surrounding Bermuda II; Carter was fed information by the Department of Transportation and the Civil Aeronautics Board while
Callaghan was fed by the Foreign Office and Office of Trade. Both carried the weight of a head of state; both were called upon to lend not their expertise, for they really had none, but their influence to keep negotiations going. Secondly, both sides understood that Bermuda II had ramifications that extended far beyond civil air transportation. Both the United States and Great Britain understood that pushing too hard and too far threatened to damage a more important relationship between the two countries. As cited in chapter three, when Callaghan failed to provide Carter a political favor the year after Bermuda II was concluded, Foreign Secretary David Owen was quick to note that “You have also not been able to deliver a political favor to the President and to two key American politicians, an intangible but not a negligible loss for Britain.”

Finally, Bermuda II demonstrates how difficult it is to shed the vestiges of history. Great Britain came to the table with a legacy of protectionist doctrine used to bolster its own interests; the United States, while hardly immune from protectionism, was far more dedicated to free trade and open skies. British negotiators were reluctant to let the free market drive competition and create opportunity; US negotiators were wary of regulation stifling free trade. Yet in the end, little had changed. As noted in chapter three, some have argued that Bermuda II was even more protectionist that the original, that the United States had agreed to a treaty that flew in the face of Carter’s efforts to deregulate the US domestic air transportation industry. The United States negotiated from a position of strength, controlling more than sixty percent of the originating traffic. Yet US negotiators capitulated and British

\[12\] UK National Archives, PREM-16/1146, Memorandum “Air Services to Boston – Exchange of messages with President Carter,” from David Owen to Prime Minister Callaghan, 1 August 1978
negotiators walked away with even more protections for British Airways. Perhaps Bermuda II demonstrated that winning the battle was not always worth the cost, that the special relationship was more important to the Americans than securing a few more flights for US airlines. Perhaps because US negotiators were fighting for private interests, in the end, public policy and amity among allies was more important than privatized interests. Or maybe Alan Boyd got it right when he said that in the end, he was an anglophile and simply conceded the fight.

The Concorde debate was more public, but the actual work to resolve the issue was carried out through painstaking process rather than pageantry and parade. Concorde transcended pure diplomatic resolution; ultimately only the courts could resolve the standoff. There was little actual disagreement between diplomats. Jimmy Carter acknowledged the legitimacy of the French cause and supported the French case. But while foreign affairs remained in the Executive Branch’s sphere of control, local politics did not. The separation of powers in the United States, which the French either did not fully understand or chose not to understand, intruded on what should have been a diplomatic affair. For all the rhetoric and public protestations of both sides, it was the calm reasoning of the US Supreme Court that ultimately resolved the dispute. As vociferous as the debate became, it was the studied patience and fortitude of the Court that silenced critics on both sides.

Since the end of World War II, diplomats and government officials had known that allowing the commercial airliners from other countries across their own borders was more than just an economic concern, but one that touched on many facets of foreign and domestic
policy, including national security. Many governments feared that espionage, rather than terrorism, was the essential security concern; the glass-nosed Illyushins and Tupelovs that flew from the Soviet Union to airports around the world were often thought to carry advanced surveillance and photographic equipment. Many were convinced that Soviet airliners were taking pictures of strategic military installations as they crossed international borders; their routes were closely monitored and closely restricted. Perhaps no incident more dramatically demonstrates the fear of commercial airliners as airborne intelligence gathering machines than the shooting down of the Korean Air flight 007. Lockerbie and the 9/11 attacks deepend those fears. Airplanes had the ability not only to infringe upon secure territory, take pictures of restricted facilities, and gather information about secret and sensitive facilities and projects, but they had now demonstrated their power of destruction. While the destructive capacity of military aircraft had been established in World War II, suddenly civilian aircraft were used for similar purposes. Aviation had the power to threaten, to terrorize and to sow destruction. It was clearly a matter of foreign policy.

Commercial aviation is symbolic of a nation's power and prestige. Most small and emerging nations quickly establish a national flag carrier. The historian Walter Laqueur has written, with a note of satire, that every viable modern state must have: “operation of a television system, a police force of at least 100 men, a budget sufficient to maintain at least one delegate at the United Nations – and a national airline.”\textsuperscript{13} Every commercial airliner belongs to an airline, and every airline to a country, whose national flag is emblazoned on the tail or fuselage of each and every plane, a visual symbol of that nation. Commercial airliners

are ambassadors. They land in foreign countries on a daily basis; they visit more cities in more countries than any diplomatic mission. They represent equally the smallest and the largest of nations on the tarmacs of the world’s greatest airports. The faces and languages of the crews, the tastes and aromas of the onboard cuisine, the colors of the logos and the flags on the fuselage all proudly represent a people and a nation. In many ways, the two airliners owned and operated by Our Airline in Nauru are a microcosm of the culture and the people of that country. Walking through London's Heathrow International Airport, Singapore’s Changi International Airport or New York’s John F Kennedy International is like walking the halls of a public, vibrant and dynamic United Nations. Yet behind those outward symbols of a country's pride lurks a certain risk, vulnerability and exposure; danger lurks in the shadows of friends as well as foes. Vigilance tempers enthusiasm for opening one's borders, and a cautious and wary eye keeps watch on these technological marvels.

If we were to borrow one of Our Airline’s Boeing 737’s, which are not very busy these days, and fly northwest for 5,418 miles, we would arrive in the Kingdom of Bhutan. In many ways, these two nations could not be more different, for the traveller will have traded the barren lunar landscape of Nauru for the sensuous mountains and lush green valleys of Bhutan. The transition from island nightmare to alpine paradise is almost surreal. Bhutan is considered environmentally responsible, producing little industrial pollution in a society where eighty percent of the households still burn wood for heat and energy, and have no access to electricity; Nauru chose to destroy its natural habitat in the name of a quick, elusive, and long spent dollar. Yet in other ways, the two countries do resemble each other.
Both are insular, in the sense that Nauru is surrounded by water while Bhutan is landlocked by mountains and other nations. Both are poor, Nauru having depleted all of its natural resources and Bhutan still living a rural and agrarian lifestyle. Bhutan is, amazingly, the only country in the world that has replaced the measurement of its people's prosperity, traditionally measured by GNP in all other industrialized nations, with GNH - Gross National Happiness; in Nauru, they might look at replacing its dismal GNP with GND - Gross National Despair. And in one more respect are these two counties similar: part of the Gross National Happiness index in Bhutan includes a national airline, DrukAir.

National airlines and commercial aviation matter; from the smallest island nations to the largest industrial superpowers, the pride and prestige of the nation often take flight on the wings of its national carrier and commercial airliners. Commercial aviation colors foreign policy, influences domestic agendas, and becomes part of the every diplomat's toolkit.
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APPENDIX
Appendix One

1944 INTERNATIONAL AIR TRANSPORT AGREEMENT
Adopted in Chicago, USA, on 7 December 1944

The States which sign and accept this International Air Transport Agreement being members of the International Civil Aviation Organization declare as follows:

**Article I**

Section 1
Each contracting State grants to the other contracting States the following freedoms of the air in respect of scheduled international air services:
- The privilege to fly across its territory without landing;
- The privilege to land for non-traffic purposes;
- The privilege to put down passengers, mail and cargo taken on in the territory of the State whose nationality the aircraft possesses;
- The privilege to take on passengers, mail and cargo destined for the territory of the State whose nationality the aircraft possesses;
- The privilege to take on passengers, mail and cargo destined for the territory of any other contracting State and the privilege to put down passengers, mail and cargo coming from any such territory.

With respect to the privileges specified under paragraphs 3, 4 and 5 of this section, the undertaking of each contracting State relates only to through services on a route constituting a reasonably direct line out from and back to the homeland of the State whose nationality the aircraft possesses.

The privileges of this section shall not be applicable with respect to airports utilized for military purposes to the exclusion of any scheduled international air services. In areas of active hostilities or of military occupation, and in time of war along the supply routes leading to such areas, the exercise of such privileges shall be subject to the approval of the competent military authorities.

Section 2
The exercise of the foregoing privileges shall be in accordance with the provisions of the Interim Agreement on International Civil Aviation and, when it comes into force, with the provisions of the Convention on International Civil Aviation, both drawn up at Chicago on December 7, 1944.

Section 3
A contracting State granting to the airlines of another contracting State the privilege to stop for nontraffic purposes may require such airlines to offer reasonable commercial service at the points at which such stops are made.
Such requirement shall not involve any discrimination between airlines operating on the same route, shall take into account the capacity of the aircraft, and shall be exercised in such a manner
as not to prejudice the normal operations of the international air services concerned or the rights and obligations of any contracting State.

Section 4
Each contracting State shall have the right to refuse permission to the aircraft of other contracting States to take on in its territory passengers, mail and cargo carried for remuneration or hire and destined for another point within its territory. Each contracting State undertakes not to enter into any arrangements which specifically grant any such privilege on an exclusive basis to any other State or an airline of any other State, and not to obtain any such exclusive privilege from any other State.

Section 5
Each contracting State may, subject to the provisions of this Agreement,
Designate the route to be followed within its territory by any international air service and the airports which any such service may use;
Impose or permit to be imposed on any such service just and reasonable charges for the use of such airports and other facilities; these charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services: provided that, upon representation by an interested contracting State, the charges imposed for the use of airports and other facilities shall be subject to review by the Council of the International Civil Aviation Organization established under the above-mentioned Convention, which shall report and make recommendations thereon for the consideration of the State or States concerned.
Each contracting State reserves the right to withhold or revoke a certificate or permit to an air transport enterprise of another State in any case where it is not satisfied that substantial ownership and effective control are vested in nationals of a contracting State, or in case of failure of such air transport enterprise to comply with the laws of the State over which it operates, or to perform its obligations under this Agreement.