



## Aviation: Concorde

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This note describes the political and economic agreement between Britain and France to build and operate Concorde. It does not cover the technology. The first flight was in 1976, the last in 2003.

A number of histories of the Concorde project have been written; notable publications include: John Costello and Terry Hughes, *The Battle for Concorde* (1971), and *Concorde: The International Race for a Supersonic Passenger Transport* (1976); Geoffrey Knight, *Concorde: The Inside Story* (1976); Kenneth Owen, *Concorde and the Americans* (1997); and Nigel Lawson and Jock Bruce-Gardyne, *The Power Game: An examination of decision-making in Government* (1976).

British Airways has a website dedicated to [celebrating Concorde](#). Information on other aviation issues can be found on the [Aviation Topical Page](#) of the Parliament website.

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# 1 Conception and birth, 1956-76

## 1.1 Political Agreement

The Concorde project emerged over a number of years, partly as a result of aviation technology and partly as a result of political actions surrounding the UK's proposed entry into the European Community (EC).

In 1956 a Supersonic Transport Aircraft Committee (STAC) was established to look at the question of supersonic flight. STAC delivered its report in March 1959. Its central recommendation was that aircraft companies should be invited to submit 'brochure studies' for two alternative models of supersonic transport: a medium-range version, to carry one hundred passengers over journeys of 1,500 miles at a speed of Mach 1.2; and a long-range version, to carry one hundred and fifty passengers at a speed of at least Mach 1.8. STAC estimated that the cost of the venture would be £175 million over ten years.<sup>1</sup>

The UK's then Minister of Aviation, Duncan Sandys, backed the STAC recommendations and is quoted as remarking to Cabinet colleagues:

If we are not in the supersonic aircraft business, then it's really only a matter of time before the whole British aircraft industry packs in. It's obviously the thing of the future. It may pay. It may not pay, but we cannot afford to stay out.<sup>2</sup>

The decision to start on the preliminary design studies for the supersonic transport passed easily through Cabinet and there was apparently little anxiety about where it would lead or the eventual cost to the UK; or at least not until 1960 when the Treasury began to "show signs of wanting to drag its feet".<sup>3</sup> Following consolidation of the UK aircraft manufacturing industry, two main manufacturers were left and in September 1959 the Government commissioned feasibility studies from Bristol and Hawker Siddeley. Both delivered their studies in March 1960 after which Bristol was given the go ahead for the next stage of design study, which was presented in August 1961 under the name Bristol 198. The British Aircraft Corporation (BAC) took over the work of Bristol and in late 1961 delivered a four-engine, hundred-passenger supersonic transport known as BAC223 and began collaboration with the French on developing the design further.<sup>4</sup>

General Charles de Gaulle had come to power in France<sup>5</sup> and the UK Government was conducting the first set of negotiations to enter the European Common Market. The Government was therefore enthusiastic about establishing European partnerships at all levels and Anglo-French ones in particular. For the French part, General de Gaulle was keen to challenge the "American colonisation of the skies" and to assert European independence; he saw the supersonic project as a natural part of this philosophy.<sup>6</sup> The UK and French governments decided that the only effective way of creating a legal basis for the supersonic

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<sup>1</sup> Nigel Lawson and Jock Bruce-Gardyne, *The Power Game: An examination of decision-making in Government* (1976), "How Whitehall grew wings: the Concorde saga", p12

<sup>2</sup> John Costello and Terry Hughes, *Concorde: The International Race for a Supersonic Passenger Transport* (1976), "The Reluctant Entente", p39

<sup>3</sup> op cit., *The Power Game: An examination of decision-making in Government*, p19; the Prime Minister, Harold MacMillan did not really throw his weight behind the project until just before the Treaty was to be signed in 1962, in their account Lawson and Bruce-Gardyne note that it did not even merit a mention in MacMillan's memoirs (ibid., p20)

<sup>4</sup> Geoffrey Knight, *Concorde: The Inside Story* (1976), "Leap through the sound barrier", pp16-17

<sup>5</sup> following elections in November 1958, in which his Party the UDF (Union des Démocrates pour la République) won a comfortable majority; he was inaugurated as President of the Fifth Republic in January 1959

<sup>6</sup> op cit., *Concorde: The International Race for a Supersonic Passenger Transport*, p41

aircraft was by international treaty, formally registered at the United Nations. The agreement – comprising seven articles including clauses about each country having equal responsibility for the project, bearing equal shares of the cost, and sharing equally the proceeds of the sales – was signed on 29 November 1962.<sup>7</sup>

On 14 January 1963, General de Gaulle turned down Britain's request to join the Common Market, but at the same time he ensured the supersonic project continued by adding: "Nothing would prevent the close relationship and direct cooperation, as these two countries have proved, by deciding to build together the supersonic aircraft Concorde".<sup>8</sup> The UK and France were therefore committed to the establishment of supersonic commercial flight, with considerable enthusiasm from the aircraft industry but possibly last minute reservations from some of the politicians.

## 1.2 Labour's doubts and the break clause

Both the French Ministry of Finance and UK Treasury wanted a break clause in the contract allowing either side to withdraw unilaterally if they thought the project was going wrong or was going to cost too much, but the then Minister for Aviation, Julian Amery, insisted it was left out.<sup>9</sup> The following year the Treasury argued before the House of Commons Estimates Committee that the failure to include a break clause was not a matter of significance, but the Committee disagreed:

Your Committee do not accept the argument which was submitted in confidential evidence that it would have created a bad impression to put forward a form of 'break clause' for incorporation in the Agreement. If relations with the French Government and aircraft industry are so delicate as this argument would seem to imply, some doubt must inevitably be cast on the whole Agreement. A form of break clause would have been an entirely natural and proper section to incorporate into an Agreement which commits Parliament to so heavy a financial burden in the next decade.<sup>10</sup>

This was later to become important when the UK Government attempted to end the agreement on Concorde in 1964-65, but with no success. The Labour Party, led by Harold Wilson, had been elected on 16 October 1964 with a small Parliamentary majority.<sup>11</sup> At one of the first Cabinet meetings of the new Government, the first hurriedly formulated proposals to deal with the economic situation were presented. Instead of a White Paper, they became known as the 'Brown Paper' after the Minister for Economic Affairs, George Brown, who was responsible for carrying them through. Section 13(6) of the Brown Paper promised a strict review of Government expenditure "to relieve the strain on the balance of payments and release funds for more productive purposes by cutting out expenditure on items of low economic priority, such as 'prestige projects'".<sup>12</sup> Concorde was an obvious 'prestige project'.

The Government appeared to have overlooked the fact there was no break clause in the Anglo-French Agreement and France would therefore have to be persuaded to abandon the project. The Government announced its plan to seek an 'urgent review' of the Concorde

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<sup>7</sup> [Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the French Republic regarding the Development and Production of a Civil Supersonic Transport Aircraft](#), Cmnd 1916, 29 November 1962

<sup>8</sup> op cit., *Concorde: The International Race for a Supersonic Passenger Transport*, p57

<sup>9</sup> op cit., *Concorde: The Inside Story*, p30

<sup>10</sup> Estimates Committee, *Transport aircraft* (second report of session 1963-64), HC 42, 19 December 1963, para 86

<sup>11</sup> a majority of four seats

<sup>12</sup> op cit., *Concorde: The International Race for a Supersonic Passenger Transport*, p90

project on 26 October 1964 and Roy Jenkins, the Minister for Aviation, flew to Paris on 28 October with the task of breaking the Agreement. The French refused to consider any such proposal or any compromises put forward and by January 1965, the Government realised it could either pull out and accept the risk of legal action, or allow the project to go ahead, appear enthusiastic and try to salvage what it could of its relations with Paris.

The French reaction is chronicled extensively in the written material on Concorde. For example:

The French were very tight-lipped about the news of Harold Wilson's decision. But four days later several French newspapers were suggesting that Federal Germany was ready to take up the responsibility in the event of "British defection". On October 28th, Roy Jenkins flew to Paris to meet his opposite number, M. Jacquet, with the cabinet's instructions to get out of Concorde. The "negotiations" amounted to little more than thirty-five minutes of embarrassed discussion. According to well placed leaks in the French press he had outlined a number of alternatives for the continuation of Concorde,

1. Limitation of all agreements between Sud-Aviation and BAC to the construction of prototypes.
2. Formation of a European consortium of six or seven states to share the burden, or as an alternative Britain, France and the U.S.A. to work together.
3. Stretching out the production time of the first four Concorde.
4. France would undertake to install and finance the assembly lines herself.

The French were highly suspicious and suspected a deal between Britain and the U.S. on the SST, particularly in view of Britain's sterling problems. The French position was uncompromising. Jacquet pointed to the Treaty and reminded Jenkins that there was no escape clause. According to one member of the BAC board, who was, perhaps not surprisingly, in Paris at the time, "He got a pretty 'boot-faced' reception from the French who referred him to the terms of the agreement signed in November 1962 and showed not the slightest inclination to be helpful."

On his return to London it was Mr. Jenkins' turn to be 'boot-faced' when he addressed the inevitable press conference at London Airport. The French he explained had listened "carefully and sympathetically ... I did not expect them to commit themselves and they did not do so." He explained that the British government wanted an urgent review because of the "economic situation at home" and because it had "grave doubts about the economic viability of the plane". He then went on, "If we are convinced that the investment in the Concorde from our point of view and from the French point of view would help us pay our way in the world consistent with the amount of money spent on it, then, of course, we would have to go ahead; but at the moment we have our doubts." The French had been left in no doubts that the British government, if it had its own way, would cancel the aircraft immediately, and so they calmly decided to sit tight and let Mr Wilson sweat it out.

On November 6th, Her Majesty's Opposition called for a full-fledged government inquiry. Letters poured into *The Times* with deep concern being expressed for "the youth of this country and the young technologists" who would "regard the cancellation of the Concorde as a sign that there is little future for advanced technology in this country". It was even speculated that should the project founder "it may be anticipated that the French would look to the Americans to take our place". One correspondent asked, "Is it not worthwhile subsidising the Concorde venture (which may, after all, turn

out to be a moneymaking success), and thus ensure our remaining a leading aviation nation?" The long-standing critics of the Concorde lost no time in urging the government to stand firm. "We'll lose a plane nobody wants and gain a new world" trumpeted the *New Statesman*, conjuring up tempting versions of automatic cars, high speed transport and what they called "social automation rather than military or aircraft gadgetry".

If the debate was pitching to a hysterical level in public, behind the scenes the aircraft industry was using every method to remind ministers of the realities of cancellation. Sir George Edwards left the minister in no doubt that BAC would be forced to close its Filton plant, with a damaging effect on Bristol and the South West. The government began to waver. A significant leader in the *New Statesman*, with its connections inside the Labour Party, reflected the backtracking going on in Downing Street.

"Mr. Jenkins broods on international co-operation in advanced technology, and his advisers are considering whether an economic return can be expected from a project which costs so much. Allied to the problems of economics and technology is the less calculable one of diplomacy, and that hinges on the kind of relations Mr. Wilson's government wants with de Gaulle. . . . Should Concorde be scrapped, the diplomatic consequences would be considerable and these are being taken seriously by the government."

If Mr. Wilson's team had been trapped by their inexperience of diplomacy, Charles de Gaulle left no manoeuvre untried to prevent them wriggling out of the contract, determined to save France's technological *gloire*. A "European Plan" was formulated and Sweden, Germany, Holland and Belgium were approached to see whether they would help finance the project if Britain withdrew. Conveniently the Soviet foreign trade minister, Mr. Patolichev was in Paris for the Franco-Soviet trade agreement and rumours that Russia was to supply replacement engines were carefully leaked by the Gaullist press. Only a solitary note of support for Harold Wilson came from de Gaulle's old rival, M. Gaston Defferre, the mayor of Marseilles, who in a letter in *Le Provençal* asked "if it is unreasonable to complain that the British are thinking of abandoning the project when General de Gaulle slammed the door on them in January 1963." But almost all the French press were against the British move to cancel. M. Jean-Jacques Servan-Schreiber, who was sympathetic with British problems, turned on Mr Wilson for behaving like General de Gaulle (...)

Events reached the point of decision. On November 19th, at the conseil de ministres at the Elysée, President de Gaulle called for a report on "the machine". M. Jacquet gave a progress report, and after a discussion, according to witnesses, the French government sent a message to London based on three points:

1. The original agreement between Britain and France did not allow any revision.
2. To delay the production of the aircraft would be commercially dangerous and allow the Americans to catch up.
3. In its re-designed, transcontinental shape, Concorde must be built, as planned.

Harold Wilson was on the hook. He either accepted the French position, and went ahead with Concorde as the Conservative government had planned, or he ruptured the treaty, and risked the humiliation of an international law-suit with Gaullist France.

At this point the attorney general's (Sir Elwyn Jones) legal opinion was crucial. In his view the treaty would allow the French government to sue Britain for a sum not far short of £100 million in the event of a British withdrawal from the project. There was little doubt that de Gaulle would do this if pressed.

Although certain members of Mr. Wilson's cabinet might well argue to cancel and be damned, others were not prepared to take the risks. The government opted for a compromise solution; the French must be persuaded to at least slow down the programme. But having suffered one diplomatic reverse the British Government were in a weak position, and General de Gaulle knew it. The French refused to discuss Concorde at all unless they received a categorical guarantee that the British would observe the treaty and build the plane. The weeks passed in increasing frustration, in the factories work was grinding to a standstill and the December meeting of officials which was to discuss, ironically, ways of cutting down the investment, was called off.

The ministry and BAC proposed a compromise. The so-called "knife and fork solutions" began to emerge for slowing down the rate of investment and uncoupling the prototype programme from the decision to tool up for production. This meant that the prototypes would be hand-built without full production jigs. The BAC costs department produced sets of figures for six different combinations of compromise. To the Labour government this looked like "cancellation with honour" but the problem was how to interest the French.

Then came intervention from an unexpected direction. For weeks as the crisis raged, work at Filton and Toulouse had dwindled to almost nothing, and the workers had begun to get anxious. Even the senior executives did not speak to each other officially. The anxiety of the workers grew and their union leaders took steps to protect them. They acted internationally. An old Socialist militant, Eugène Montel, who had been a colleague of Léon Blum, and was a deputy for Toulouse, arrived in London to lobby the British Labour Party on behalf of the unions. On the British side Clive Jenkins intervened and flew twice to Paris for meetings with his opposite number to bring pressure to bear on the French government for a compromise.

These dramatic excursions contributed to easing the situation. Both sides were becoming worried about the indecision. The British government drifted to an uneasy acceptance that Concorde would continue. The newly born ministry of technology, and its ex-union chief, Frank Cousins, who was now responsible for Concorde, had been steadily won round by technological arguments. By Christmas it was becoming clear that Concorde could not be cancelled, and the cabinet turned its attention to the military TSR2, costing an enormous sum and unprotected by de Gaulle.<sup>13</sup>

The UK Cabinet made its final decision on 18 January 1965 and Roy Jenkins flew to Paris to tell the French Transport Minister, Marc Jacquet. Two days later, on 20 January, he told the House of Commons that although the Government had some doubts about the financial and economic aspects of the project, the Prime Minister had informed the French Prime Minister that it stood by the Treaty obligations which the previous Government had entered into:

We have now completed the review of the Concorde project which we set in hand in October, and we have exchanged views with the French Government. We had, and we still retain, some doubts about the financial and economic aspects of the project. We have, however, been much impressed by the confidence of our French partners, and the Prime Minister has informed the French Prime Minister that we stand by the treaty obligations into which the last Government decided to enter.

Now that the uncertainty over the future of the project has been removed, I am sure that all those concerned with it on both sides of the Channel will press forward with a

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<sup>13</sup> John Costello and Terry Hughes, *The Battle for Concorde* (1971), "Non!", pp47-51

real sense of purpose. In this they will have the full backing of Her Majesty's Government.<sup>14</sup>

The House of Commons Industry and Trade Committee looked at the cost of Concorde in 1981. During this inquiry the Department for Industry gave conflicting advice to the Committee as to whether one Government or another could have withdrawn from the project. Initially the Department gave the view that “under general international law either Government may in the event of changed circumstances at any time withdraw without payment of compensation or damages to the other”, but in a later correction the Department said that “the question whether either Government could withdraw unilaterally from the Anglo-French agreement of November 1962 without such payments [compensation or damages] would inevitably be controversial”.<sup>15</sup>

### 1.3 What's in a name?

There seems to have been little argument as to whether Concorde should be spelt with or without a concluding 'e': Geoffrey Knight in *Concorde: The Inside Story* (p 42-3) relates:

There was one nasty hiccup entirely outside our control, when President de Gaulle decided to veto Britain's application for entry into the Common Market in 1963. Political considerations had played such a substantial part in the project that we all wondered what the future held in store. Curiously enough, this diplomatic bombshell caused hardly a ripple in our affairs. In fact it provided us at long last with a name for the aircraft. Julian Amery recalls that at one of the last meetings he had with his French opposite number, Marc Jacquet, before the de Gaulle veto, the two ministers were discussing what to call the supersonic project. They offered a bottle of champagne to any of their advisers who could come up with the right name. None of them did, and Julian Amery claims that it was he who proposed 'Concorde'. He could not think of any other word which meant more or less the same in both English and French and, except for the final 'e', was spelt the same way. At the time nobody liked the idea very much, but it went down in the minutes as a proposal. When de Gaulle held his press conference to veto our entry into the Common Market, he went on to say that 'nevertheless this should not stop us working together with the British on advanced technological projects such as the Concorde', and when he put his authority behind the name it stuck.

I do not like to spoil an authoritative story, but there is another that perhaps even Julian Amery does not know. At about the same time, Sud Aviation and BAC invited their employees to suggest a name for the aircraft. I have always understood that it was the eighteen-year-old son of one of our people at Filton who first came up with the name Concord(e) because it was one of the few words suitable for the purpose which was spelt nearly the same in French and English. Time blurs most things, and there was certainly a period when the two firms continued to use the word, each in their own fashion, in their brochures and sales promotion material. I think it is true to say that Julian Amery was not too pleased with our failure to agree on a common spelling, but I would be the last person to deny him credit for lodging it officially.<sup>16</sup>

A final agreement on the name appears to have been reached in 1967:

In December 1967, the Concorde project reached its first milestone. when the French-assembled prototype 001 was rolled out of its hangar at Toulouse, followed shortly

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<sup>14</sup> [HC Deb 20 January 1965, cc197-198](#)

<sup>15</sup> Industry and Trade Committee, *Concorde* (second report of session 1980-81), HC 265, 1 April 1981, para 55; for the Department's view see Memo 299 on p66 and in oral evidence, Q117

<sup>16</sup> op cit., *Concorde: The Inside Story*, “Concord(e)”, pp42-43

thereafter at Filton by the British-assembled 002. Neither of them was much more than the shell of a test-flying aircraft, but at Toulouse it was possible for the new British minister of technology, Anthony Wedgwood Benn, to contribute one of the more pleasant courtesies of the whole project when he announced finally that the name of the aircraft was to be spelled with an 'e'. 'The letter "e" means Excellence, England, Europe and Entente,' he said.<sup>17</sup>

#### 1.4 British Airways and Concorde's finances

The privatisation of British Airways (BA) was not relevant to Concorde. Concorde came into service with British Airways in 1976,<sup>18</sup> long before it was privatised in 1987. The early financial history of Concorde is summarised in a 1981 report from the Industry and Trade Committee.<sup>19</sup> Total UK Government expenditure in support of Concorde was given in November 2003 as £1.35 billion gross or £1.06 billion net of receipts in prices of the day.<sup>20</sup>

In February 1979, following a review of BA's finances, it was concluded that the airline could not operate Concorde at a profit by normal, commercial standards and the Government decided to write off £160 million of public dividend capital associated with the acquisition of the Concorde fleet. This meant that the whole fleet including the initial inventory of spares was entered in the balance sheet as a fully depreciated asset. In return it was agreed that any surplus earned on Concorde operations was to be divided between the Government, who was to take 80 per cent, and British Airways, who retained 20 per cent. BA was not to receive any compensation for losses they might incur in operating the aircraft.

The decision to write off the book value of BA's Concorde assets was announced in February 1979:

It is three years since the introduction of Concorde services. In spite of difficulties in developing particular routes, the Government feel that sufficient experience of operating Concorde has been obtained to justify a review of British Airways financial position. This review has been carried out by a group on which the Departments concerned and the airline were represented. I have today placed a copy of the group's report in the Library of the House.

Concorde is now earning for British Airways a positive cash flow and it is hoped that over the remaining lifetime of the aircraft, the surpluses, after meeting operating costs, will be substantial. However, the report indicates that, whatever may be the situation in the longer term, these surpluses will be insufficient for the foreseeable future to cover amortisation of the aircraft and its spares in accordance with the airline's normal accounting criteria. They will likewise be insufficient to pay an appropriate dividend on public dividend capital.

The Government have accepted the recommendation of the review group that the Concorde aircraft and spares should be entered in British Airways' accounts as a fully depreciated asset and that a corresponding amount of public dividend capital, amounting to £160 million, should be cancelled. Any surpluses earned on Concorde operations will be divided between the Government, who will take 80 per cent., and British Airways, who will retain 20 per cent by way of incentive to operate the aircraft

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<sup>17</sup> *ibid.*, "Cutting metal", p62

<sup>18</sup> both British Overseas Aircraft Corporation (BOAC) and British European Airways (BEA) dominated British aviation well into the 1960s, although smaller independent airlines continued to exist; in 1974, the two airlines officially merged into British Airways

<sup>19</sup> *op cit.*, *Concorde*, para 8; see also Memo 243 submitted in evidence

<sup>20</sup> [HC Deb 10 November 2003, c23W](#); the data were compiled from information taken from the appropriation accounts over the period 1956–57 to 1986–87



economically. The arrangements do not therefore involve any operating subsidy being paid to the airline.

British Airways will continue to use their commercial judgment to seek to achieve a financial surplus on Concorde operations consistent with the maintenance of a reasonable level of utilisation and the exploitation of a balanced route pattern.

These arrangements will take effect at the end of the airline's current financial year on 31 March 1979. British Airways will now pay an interim dividend to make up for reduced dividends paid in earlier years to 31 March 1978. For 1978-79, and subsequently, British Airways will pay dividends on the remainder of their holding of public dividend capital in accordance with paragraph 86 of the White Paper on nationalised industries (Cmnd. 7131).

The write-off of public dividend capital will require legislation and a Bill to this effect will be introduced in due course. Until this can be done, transitional accounting arrangements will be made by British Airways.

This decision will assist the British Airways Board to maintain a sound financial position. At the same time it will secure the best long-term exploitation of the nation's investment in Concorde.<sup>21</sup>

The necessary legislation to authorise the writing-down was not passed until November 1980 because of the 1979 General Election. It was included as section 1 of the [Civil Aviation Act 1980](#). At Committee Stage of the Bill it was made clear that any obligation to pay surpluses would pass to a successor company.<sup>22</sup> The Act converted BA into a limited liability company, whose shares were held by the Secretary of State for Trade, in preparation for subsequent privatisation. According to the BA accounts of 1981-82, the net book value of subsequent capital expenditure on the Concorde fleet was written down to nil at 31 March 1982.<sup>23</sup>

On 1 April 1984 the Government ended its involvement with Concorde when British Airways assumed full responsibility for Concorde support costs. The British Airways Board paid £16.5 million to acquire the Government's stock of spare parts and was released from the agreement to pay the Government 80 per cent of operating surpluses:

The government and the British Airways Board have agreed that the proposals contained in the report of a review group on British Airways and Concorde finances provide an acceptable basis for the transfer of government in-service support responsibilities to the airline from 1 April 1984.

Accordingly from that date British Airways will take over responsibility for the British contribution to the organisation, procurement and funding of in-service support for the airlines of both countries. To this end British Airways have concluded Concorde funding agreements with British Aerospace and Rolls-Royce, and government contracts with these firms will be terminated on 31st March 1984.

As the House has already been informed, British Airways have paid the government a total of £16.5 million to secure release from the requirement to pay the government 80 per cent of the airline's Concorde operating surpluses, to acquire title to the government's stocks of spare parts, and as a contribution to 1983-84 support costs.

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<sup>21</sup> [HC Deb 22 February 1979, cc258-259W](#)

<sup>22</sup> [SC Deb \(B\) 15 January 1980, cc45-82](#)

<sup>23</sup> [British Airways annual report and accounts 1981-82, p17](#)

The French government has been consulted on the Anglo-French aspects of these arrangements. The ministry of defence (procurement executive) will continue to act as agents of the department of trade and industry in relation to residual financial transactions under the government's contracts with British Aerospace, Rolls-Royce and the Civil Aviation Authority, and will participate in such institutional machinery as is still judged necessary for the performance residual functions under the Anglo-French agreement of 29 November 1962, which will continue.

Copies of the report are available from the Vote Office and have been placed in the Library of the House. The transfer of responsibilities does not affect Concorde airline operations in either Britain or France, or their safety. These will continue with full support from the industries of the two countries.<sup>24</sup>

## 2 Death, 2003

The only orders for Concorde were placed by BOAC/British Airways and Air France. Despite its appeal with the public, other airlines did not like it. The noise of the sonic boom meant that most countries refused to allow it to fly in their airspace which severely restricted its routes. The first commercial flights took place on 21 January 1976. The French stopped passenger flights on 31 May 2003 and the UK on 24 October 2003. A decline in full fare paying business passengers, particularly after the Paris crash in July 2000, and sharply escalating maintenance costs led to the decision.<sup>25</sup>

The official line was that both the French and the UK governments agreed to end Concorde's flights, mainly because the costs of maintenance were going to be too great. The Treaty would not appear to prevent one side from going it alone but they would then have to shoulder all the costs. The press notices at the time show the close involvement of Airbus in the decision. Safety rules require every plane to have an air worthiness certificate to keep flying and Concorde's was held by Airbus. It monitored any safety modifications to the planes and provided technical advice to BA engineers. Airbus thought Concorde should be grounded for good at the end of October 2003 and was unwilling to pass on the air worthiness certificate to another company.

Interestingly the announcement by BA on 10 April 2003 of the ending of Concorde flights did not refer to France:

British Airways announced today the retirement of its Concorde fleet of seven aircraft with effect from the end of October 2003.

The airline said that its decision had been made for commercial reasons with passenger revenue falling steadily against a backdrop of rising maintenance costs for the aircraft. Detailed discussions over an extended period with Airbus, the aircraft's manufacturer, confirmed the need for an enhanced maintenance programme in the coming years, the carrier added. British Airways has decided that such an investment cannot be justified in the face of falling revenue caused by a global downturn in demand for all forms of premium travel in the airline industry (...)

Noel Forgeard, president and chief executive officer of Airbus, said: "Airbus' predecessors Aerospatiale and British Aircraft Corporation created Concorde some 40 years ago and we are proud of this remarkable achievement. But its maintenance

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<sup>24</sup> DTI press notice, "The future of Concorde", 30 March 1984

<sup>25</sup> the trial to look into who caused the Paris crash finally opened in France in February 2010 – a decade after the event; see, e.g.: "[Concorde's final humiliation: a trial to apportion blame for Paris crash](#)", *The Independent*, 1 February 2010

regime is increasing fast with age. Thus, as an aircraft manufacturer, we understand completely and respect the decision of British Airways, especially in the present economic climate. It goes without saying that until the completion of the very last flight, we will continue to support the airline so that the highest standards of maintenance and safety are entirely fulfilled" ...<sup>26</sup>

Air France's press notice on 10 April was very similar:

Air France n'envisage pas de prolonger l'exploitation de sa flotte Concorde au delà du 31 Octobre 2003, date de la fin du programme d'été de la Compagnie.

Cette décision est motivée par la détérioration des résultats économiques de la ligne transatlantique exploitée en Concorde, observée au cours de ces derniers mois et qui s'est accélérée depuis le début de l'année. Cette baisse de la demande est intervenue alors que la Compagnie avait à supporter des coûts de maintenance en très forte augmentation depuis la remise en ligne du supersonique, le 7 novembre 2001.

La décision de la Compagnie s'appuie donc sur des raisons structurelles de divergence croissante entre coûts et recettes. Elle a été prise en étroite relation avec le constructeur, Airbus : "Les prédécesseurs d'Airbus, Aérospatiale et British Aircraft Corporation ont créé Concorde il y a quelque 40 années de cela, et nous sommes fiers de cette remarquable réussite. Mais les coûts de maintenance de l'appareil augmentent rapidement au fil des années", a déclaré Noël Forgeard, Président d'Airbus. "C'est pourquoi", en tant que constructeur, "nous comprenons et respectons parfaitement la décision d'Air France et de British Airways, surtout dans le contexte économique actuel. Il va sans dire que, jusqu'au tout dernier vol de Concorde, nous continuerons à soutenir les compagnies de manière à remplir pleinement les plus stricts critères de maintenance et de sécurité de l'appareil".

"C'est à regret qu'Air France a pris la décision d'arrêter l'exploitation de Concorde. Mais ce choix s'imposait", a déclaré Jean-Cyril Spinetta, président-directeur général d'Air France. "La dégradation de la situation économique, tout au long de ces derniers mois, s'est traduite par une baisse du trafic affaires qui a tout particulièrement pesé sur les résultats de Concorde. Les coûts de maintenance de l'appareil ayant été sensiblement accrus depuis sa remise en ligne, son exploitation est devenue lourdement et structurellement déficitaire. Dans ces conditions, il devenait déraisonnable de la poursuivre longtemps encore".<sup>27</sup>

A report in *The Times*, however, gave the BA side of the story:

British Airways was forced into retiring Concorde because Air France and Airbus, the French-based manufacturer, refused to continue supporting it, the airline's chairman said. Lord Marshall of Knightsbridge said that BA would have been keen to continue operating the plane beyond the end of October if the French had been prepared to share the burden of extra maintenance costs.

BA originally said the decision to retire Concorde had been taken jointly, but Lord Marshall told *The Times*: "Concorde can't keep flying unless the manufacturer is willing to go on producing the parts. Airbus said they were not willing to support Concorde beyond the end of October. We might well have considered continuing if they hadn't. It would have made it much more difficult for Airbus if Air France and BA had presented a united front in supporting the continuation of scheduled services."

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<sup>26</sup> BA press notice, "Concorde – the end of an era", 10 April 2003

<sup>27</sup> English version available [via this link](#)

Lord Marshall said that Airbus had been determined to redeploy the staff who supported Concorde to more profitable production lines. Airbus told BA that it would have to spend Pounds 40 million on maintenance over the next two to five years to keep Concorde flying.

Air France said that the decision had been taken "in close conjunction with Airbus". BA was selling just under half its seats before the retirement was announced. Air France was filling barely a fifth of the seats on its five Concorde, and had suffered the stigma of having lost 113 passengers and crew in the crash in Paris in July 2000 ...<sup>28</sup>

The Labour Government at the time did not make any direct comments about the decision to withdraw Concorde but in the House when questioned about supersonic aviation, the Minister indicated that it was a matter for the airlines:

Airlines will determine what level of demand there may be for supersonic travel. British Airways has taken the view that their existing fleet of Concorde need to be retired after almost 30 years of service. For the longer term, if sufficient demand is forecast for supersonic travel, I am sure airlines will work closely with aircraft manufacturers to understand the particular environmental, technical and cost challenges of developing and operating a new generation of supersonic passenger aircraft.<sup>29</sup>

The Government later made it clear that the decision on the final destination of the Concorde aircraft was purely a matter for BA:

... Public ownership ceased in 1984 when British Airways became the owner and operator of the UK Concorde fleet. The Government is therefore not in a position to make a decision on the final destinations for each of the Concorde aircraft. That remains a decision for British Airways, the legal owner of the UK Concorde fleet.<sup>30</sup>

Only 14 Concorde entered service (seven each belonging to BA and Air France), there were also six development aircraft. They were disposed of as follows:

- **The six development aircraft** are now located at: the French Air Museum, Le Bourget Paris; RNAS Museum, Yeovilton Somerset; Imperial War Museum, Duxford Cambridgeshire; Orly Airport, Paris; the Airbus factory, Toulouse; and the Brooklands Museum, Weybridge Surrey.
- **BA's fleet of seven** are located at: Manchester Airport; Museum of Flight, East Fortune Edinburgh; the Intrepid Sea-Air-Space Museum, Pier 86 New York; Spencers Plantation, Bridgetown Barbados; the Museum of Flight, Seattle; Filton, Bristol; and London Heathrow.
- Five of **Air France's fleet of seven** are located at: the Smithsonian Institute Museum, Washington Dulles Airport; Sinsheim Auto and Technik Museum, Germany; the Airbus factory, Toulouse; the French Air Museum, Le Bourget Paris; and Charles de Gaulle Airport, Paris. One of the two remaining planes crashed in July 2000 and the other was broken up in 1994.<sup>31</sup>

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<sup>28</sup> "BA chief blames French for killing off Concorde", *The Times*, 1 May 2003

<sup>29</sup> HC Deb 9 July 2003, c798W

<sup>30</sup> HC Deb 10 November 2003, c23W

<sup>31</sup> "Final indignity for a world-beater – BA may clip Concorde's wings and sell her to Dubai", *The Times*, 8 April 2009