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Naissance et affirmation du groupe Airbus (années 1960-années 1980)

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## Perfidious Albion? Understanding Britain's Withdrawal from the Airbus Project, 1969

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# Perfidious Albion? Understanding Britain's Withdrawal from the Airbus Project, 1969

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### Introduction

- 1 By January 2020 Airbus Industries SE had become poised to replace Boeing as the world's largest producer of commercial airliners. This success achieved mostly due to its popular A320 family of jets, in 2019 Airbus delivered 863 airplanes compared to Boeing's 345,<sup>1</sup> marking an upward trend that began with the commercialisation of Airbus's first aircraft, the A300, in 1974. Several reasons explain this success: for Hayward (1987) it is down to Airbus's technological collaboration with other European nations;<sup>2</sup> for Francis and Pevzner (2006) success is due to France's status as a strong state;<sup>3</sup> for Oilienyk (1999) it can be explained by Airbus's strategic trade policy;<sup>4</sup> and according to Ahrens (2020) success is a matter linked to industrial and national prestige.<sup>5</sup> Additionally, we should remind ourselves that Boeing has suffered

from the effects of its failed 737 Max project. A failure analysed by Fang (2020),<sup>6</sup> and by Matthews and Choi (2019),<sup>7</sup> Boeing's reputation within the commercial aircraft industry was damaged through findings that the company had benefitted from illegal subsidies.<sup>8</sup>

- 2 Given the current context, and especially the notion that the success of Airbus can be explained by strong collaboration with other European nations, it is somewhat of a paradox that the Germano-French project to build a short-haul airliner almost never reached completion. In effect, if Germany and France were both avid to show off their engineering expertise by producing a twin-engined, leisure-focused carrier that was smaller, lighter and a more economical than aircraft produced by American rivals,<sup>9</sup> a third partner, Great Britain, was a source of disruption to plans.<sup>10</sup> The question of the latter's inconsistency towards the Airbus project interpreted as another example of Britain's perfidiousness,<sup>11</sup> as a result of Britain's ambivalent approach to mainland Europe's economic union,<sup>12</sup> and the sentiment that Britain would always put its "special relationship" with the United States above its European interests,<sup>13</sup> a point illustrated by Sakade.<sup>14</sup>
- 3 While the intention of this article is not to contest the argument that Britain sometimes proved to be a fickle partner in the Airbus project and that this fickleness threatened to jeopardise the project, what it does set out to show is that indecision was not borne out of irrationality, or nationalistic and/or anti-European sentiment. It argues that Britain remained committed to the idea of producing an aircraft for the popular market, but that this commitment was affected and tested by factors that, often, were beyond its control.
- 4 The most significant incident impacting the future of Airbus being Britain's withdrawal from the project in early 1969, the chronological focus of this article is the four-year period leading up to this point. A period of enormous societal change in Britain, we will see that the period (1965-1969) was also punctuated by changes relating to Britain's quest to carve out a role in a changing geopolitical context and its attempts to revitalise British industry. All this at a time when Britain faced severe financial constraints.
- 5 In addition to drawing information from a range of academic and non-academic sources, this article relies on the evocation and exam-

ination of the official transcripts of debates of a political and economic nature taking place in Britain during the time the Airbus project was conceived. The timeframe dealing, more specifically, with 1964-1970, a period during which Harold Wilson was Prime Minister of the United Kingdom, references will also be made to the tenures of past and future prime ministers for contextual purposes. This contextual information found mainly in the first section of this study; two subsequent sections take a closer look at the debates outlined above.

## **1. Industrial Changes in the UK of the mid-1960s**

### **1. 1. Harold Wilson's "New Britain"**

- 6 By the time Harold Wilson became prime minister of the United Kingdom in October 1964, the country he governed had been transformed from one that was once the most powerful in the world to a vassal of the United States. At least, this is how the situation appeared to be to French president Charles de Gaulle. In 1963, he vetoed Britain's first application to join the European Economic Community (EEC) in 1963 believing that Britain was no more than a Trojan Horse for the Americanisation of Europe.<sup>15</sup> A view no doubt influenced by Britain's signing of the Nassau Agreement with the United States in December 1962,<sup>16</sup> Wilson believed that the UK had been in decline over the past thirteen years of Conservative leadership,<sup>17</sup> and that the time had come for the country to adopt a fresh outlook; one that was fitting for the 1960s.
- 7 If Wilson's view of the UK in the 1950s and early 1960s might be considered extreme given the country's continuing sway over international politics,<sup>18</sup> its economic growth,<sup>19</sup> or the social and technological progress made since 1945,<sup>20</sup> his vision was one in which societal change could be brought about through technological advances which would unshackle Britain from an industrial landscape in which heavy industries such as coal mining still played a significant role. Wilson had earlier demonstrated his intention to lead a technological revolution at the Annual Conference of the Labour Party held in Scarborough in 1963. Entitled "Labour and the Scientific Revolution",<sup>21</sup> but

known more commonly as the “White heat of technology” speech, Wilson’s statement reflected on the reasons for defeat in the general elections held in 1959 and the need for Labour to look to the future. Rejecting Labour’s traditional associations with heavy industry and those he labelled the “Luddites in the Socialist Party”, Wilson made a call for all of Britain’s scientific resources to be made available to induce his vision of technological change. Repeating an earlier refrain which promised to harness “Socialism to science, and Science to Socialism”,<sup>22</sup> Wilson claimed that this revolution could not become a reality unless society disposed of “restrictive practices and outdated methods”.<sup>23</sup> As well as initiating industrial revolution, Wilson’s speech can be interpreted as belonging to the societal changes occurring at the time. Effectively, one of the most significant aspects of Wilson’s speech is the overthrowing of an established social order through his wish to see that the “commanding heights of British industry were no longer controlled by men with aristocratic connections” or the “power of inherited wealth or speculative finance”.<sup>24</sup> To make changes to these traditional industrial structures and to meet the needs in manpower, Labour then set up a binary system of autonomous universities and a public sector of technical and further education colleges. Next, in 1966, Labour published a white paper entitled “A Plan for Polytechnics and Other Colleges”.<sup>25</sup> Extending a system already in existence, the difference now was that a degree in one of the STEM (science, technology, engineering, and mathematics) subjects that had previously been considered as inferior were now on an equal footing with more academic subjects requiring in-depth research.

## **1. 2. Industrial Challenges in Wilson’s “New Britain”**

- 8 The UK’s second application to join the EEC rejected by de Gaulle in 1967 – the French leader stating that the UK would be allowed to join the “Six Continentals” only after having achieved “a profound economic and political transformation” –<sup>26</sup> by the end of the 1960s there were signals that the post-war economic boom was approaching its end. One of the main economic problems of Wilson’s tenure was the UK’s deficit in its balance of payment. Rising to £800 million (or some

£17 billion in today's money) by 1967, de Gaulle's interpretation was not so wrong in that Wilson was forced to devalue the UK's currency against the dollar during the so-called "Sterling crisis" of late 1967.<sup>27</sup> A second problem facing Wilson's government was its attempts to address an inflationary spiral by reforming industrial relations. Indeed, to adjust for the loss of a colonial empire, to maintain the UK's role as a world banker, since the late 1950s and the early 1960s, both Conservative and Labour governments had made industrial reform a theme of their electoral campaigns.<sup>28</sup>

- 9 As far as Wilson's government was concerned, when it came to power in 1964 one of its first measures was to set up a Royal Commission to examine what was a highly contentious matter given the progress made by trade unions over the past decades and the power they continued to wield over industrial relations.<sup>29</sup> Comprising government officials, but also union representatives, the Commission handed over its report to the government in June 1968. After close examination of the report, in January 1969 the Labour government produced a legislative proposal (white paper) entitled "In Place of Strife".<sup>30</sup> Written by Barbara Castle, the Secretary of State for Employment and Productivity, it was proposed that ballots should be taken before strikes and that there should be a 28-day period between a strike being voted and its being enacted. Its objective being to prevent unofficial "lightning" strikes that had been a regular feature of the UK's industrial landscape, the proposal was soundly rejected by the Trades Union Congress (TUC) and any reforms were put on hold. Labour losing the 1970 general election to the Conservative Party led by Edward Heath, more reforms were proposed through the Industrial Relations Act 1971. The goal being, once more, to limit the number of wildcat strikes, the act also paved way for the establishment of the National Industrial Relations Court (NIRC), a body presided by judges whose role was to reach a decision on the legality of a strike, to settle disputes, and even to punish union members found guilty of refusing to obey court orders.<sup>31</sup>
- 10 Two of the worst series of strikes seen while Edward Heath was prime minister occurred in the mining industry in 1972 and 1974. Both involving disputes over wages, the strikes led to the widespread disruption of British industry. The 1972 strikes led to homes losing their power supply, trains were cancelled, banks limited their opening

hours, and even milk deliveries were cancelled due to milk floats not being able to be recharged with electricity. If the situation was bad for UK residents in 1972, it continued to disrupt living and working conditions in 1973 and 1974. A strike by miners initiated by the National Union of Mineworkers (NUM) in January 1974, it was caused by a fall in the value of real wages. Once more leading to shortages of electricity, but this time the shortages leading to businesses opening only three days per week, eventually Heath was forced to call an election. Heath fighting this election under the slogan "Who governs Britain?", Heath believed he had the support of the public and that it would side with the government on the question of strikes. Held in February 1974, Wilson returned to the role of prime minister.

## **2. Industrial Dispute in the UK's Aircraft Sector and its effect on the Airbus project**

### **2. 1. Changes in the UK's Aircraft Industry: moving towards cooperation with Europe**

- 11     Though Harold Wilson's portrayal of the state of British technology in the 1960s might lead one to believe that Britain in the 1960s resembled a Dickensian wasteland, for some time the country had been at the forefront of advances in aviation technology. Early advances include Alan Arnold Griffith's attempts to integrate compressors and turbines into aircraft engines in 1926, Frank Whittle's continuation of this work in the 1930s and 1940s, and the production of the world's first commercial jetliner, the De Havilland Comet, in 1949. In the 1950s, British Overseas Airways Corporation (BOAC) began to operate flights using the Comet, and in 1958 it began to operate transatlantic flights.
- 12     Since the beginning of WWI, the city of Bristol had been closely associated with developments in aviation, especially in the realm of aeroengines. The car manufacturer Straker-Squire (also known as Brazil-Straker) took on the repair and manufacture of aircraft engines dur-

ing the conflict, Cosmos Engineering then took over this branch of activity producing engines such as the Mercury and, in 1920, it was, in turn, bought out by the Bristol Aeroplane Company (BAC). Originally named the British and Colonial Aeroplane Company, its contribution to Britain's aircraft industry included the Bristol Biplane (or Boxkite), the Bristol F.2 Fighter, and the Bristol Type 175 Britannia, an aircraft considered as one of the landmarks in the development of turboprop-powered airliners. BAC's operation split into Bristol Aircraft and Bristol Aero Engines in 1956, in 1959 Bristol Aircraft merged with Hawker Siddeley's Armstrong Whitworth Motors to form Bristol Siddeley Engines Ltd., and in 1960 this entity took over two other engine-producing manufacturers, Blackburn Engines and de Havilland Engines. Along with English Electric Aviation Ltd., Vickers-Armstrongs, and Hunting Aircraft, the Bristol Aeroplane Company formed the British Aircraft Corporation (also BAC), the forerunner of British Aerospace. Most of these recent developments having taken place during Macmillan's tenure as prime minister, a report presented to parliament on 16 December 1965 was to have immediate – and long-term – implications for government policy regarding not only civil, but military aviation. Produced by a committee chaired by Conservative peer Lord Plowden and entitled "The Report of the Committee of Inquiry into the Aircraft Industry", the Plowden Report, as it became known, proposed a set of guidelines for future policy. Among the subjects dealt with in detail in the report were the organisation and future ownership of the [aircraft] industry.<sup>32</sup> The British Minister of Aviation, Roy Jenkins, describing the report as "most valuable",<sup>33</sup> further details on what had inspired the report and actions envisaged by the government were provided in the House of Commons on 1 February 1966 by his successor, Frederick Mulley. Explaining that since coming to office the government had been faced with "a number of very difficult and unpopular decisions",<sup>34</sup> Mulley explained the situation of the UK's aviation industry at the beginning of Wilson's tenure. It "absorbing a disproportionate share of the country's resources", Wilson's government was faced with "spiralling costs of projects, with financial losses on civil ventures and with falling exports".<sup>35</sup> In view of this situation, it was evident, according to Mulley, "that a radical approach was necessary to the problems of the industry and that this necessitated changes in attitude as much as

changes in policy". The problems in question including the cancellation of BAC's TSR-2 project,<sup>36</sup> other projects that were in the process of being cancelled were the Armstrong Whitworth AW.681,<sup>37</sup> and the Hawker Siddeley P.1154.<sup>38</sup>

- 13 Basing his comments on the conclusion of the Plowden Report, *i.e.*, that "the level of support that the industry has been receiving is too high and should be reduced", the "radical approach" referred to by Mulley was for the government to create the conditions in which – in the long term – the aircraft industry could "thrive with no more support or protection than that given to comparable industries in Britain".<sup>39</sup> While the putting in place of these conditions did not mean full-on nationalisation of the aircraft industry but a degree of government intervention including overseeing the merger of companies,<sup>40</sup> another consequence of the Plowden Report was its recommendation that a major effort should be made towards an association between Britain and European countries to create a European aircraft industry.<sup>41</sup> This "not implying that the UK should no longer try to collaborate with the United States",<sup>42</sup> according to Mulley, somewhat paradoxically in view of budget concerns, Wilson's government was working alongside Belgium, France, the Netherlands and West Germany in the development of the European Launcher Development Organisation (ELDO). A project discussed by the UK and France as early as October 1960,<sup>43</sup> and one that consisted of developing the Europa rocket, an expendable launch system, its continuing development under the auspices of Wilson's government coincided with discussions on the merger of UK aviation companies, and some of the earliest meetings between Mulley and French government officials on the subject of airbus. Mulley due to meet Edgard Pisani on 17 February 1966,<sup>44</sup> Britain's financial dilemma of the 1960s was seen as comparable to that of Europe. In Mulley's opinion there being "many practical difficulties in multilateral collaboration", they had to be overcome if the aircraft industry in Europe was to survive.<sup>45</sup> According to Mulley, the prize was great, and the UK was "determined to secure it".<sup>46</sup>

## 2. 2. Industrial unrest in the UK's aircraft industry, 1966-1974

- 14 As noted in an earlier section of this study, Britain's balance of payments deficit grew steadily during both Macmillan's and Wilson's tenures. The deficit eventually resulting in the devaluation of sterling, in July 1966 attempted to avoid this devaluation by introducing a series of policies known collectively as the "July Measures". The most stringent economic policies introduced since WWII, they included a 10% increase in income taxes, extra taxes applied to the sale of oil-based products including petrol, a surcharge placed on alcohol and cigarettes, plus a reduction of government spending and a wage freeze.<sup>47</sup> The effects of these changes particularly affecting the engineering industry, adjustments to labour forces included making a series of redundancies that lasted until 1971.<sup>48</sup> However, UK's aviation industry was also affected. Hawker Siddeley made 2,200 redundancies at its plants in Brough, Yorkshire and in Portsmouth in January 1968, the company made more cuts the following month when 3,400 redundancies were announced,<sup>49</sup> Rolls-Royce was also affected. Despite celebrations surrounding the arrival of Concorde's maiden flight – an aircraft for which it supplied the engines – no less than 700 workers were made redundant.<sup>50</sup> Another airline company that was severely affected was British Eagle International Airlines (BEIA). A company founded in 1948, it closed suddenly on 6 November 1968 with the loss of 2,300 staff including 220 pilots. This was a blow for the British Aircraft Corporation as the company operated the Bristol 175 Britannia and the Vickers Viscount.<sup>51</sup>
- 15 Though the UK's aircraft industry was impacted by a reduction of the Royal Navy's aircraft carrier force announced in January 1968,<sup>52</sup> for employees of aircraft manufacturers having managed to avoid the cuts there was good news: British European Airways (BEA) announced the purchase of a fleet of 26 Hawker Trident jetliners to a value of \$83 million with an option to buy 10 more;<sup>53</sup> the British Board of Trade announced that it would support BEA with up to £37.5 million in funding;<sup>54</sup> and, in July, the government announced it had ordered 26 Hawker Siddeley Buccaneer strike aircraft.<sup>55</sup> 1969 also saw positive news: a prototype of Concorde made a successful maiden flight on 2

March;<sup>56</sup> pilots working for the British Overseas Airways Corporation (BOAC) returned to work after a one-week strike over pay.<sup>57</sup>

## **3. The impact of industrial unrest on the Airbus Project**

### **3.1. The Evolution of the UK's Involvement in the Project, from Concorde to Airbus**

16 Notwithstanding Britain's initial reluctance to join the EEC and de Gaulle's vetoes of its applications to join the "Six" in 1963 and in 1967 respectively, in terms of aviation projects the UK governments of the 1960s and early 1970s remained committed to the idea of joining Europe in the development of supersonic airliners. Indeed, and even at the time when Britain's geopolitical position was being weakened during the Suez Canal incident, in October 1956 Sir Cyril Musgrave of the Ministry of Supply chaired a meeting attended by representatives of BOAC, British European Airways (BEA) and representatives from the Ministry of Transport and Civil Aviation. A meeting attended by Morien Morgan of the Royal Aircraft Establishment (RAE); it was significant in that the development of supersonic aircraft was seen as a means of increasing Britain's national prestige. It was decided that Britain would develop an aircraft capable of flying beyond Mach 2,<sup>58</sup> and to achieve this goal the government of Anthony Eden put in place the Supersonic Transport Aircraft Committee (STAC) headed by Morgan himself. Working alongside German aerodynamicist Dietrich Kuchemann, STAC's team of engineers built on previous developments and constructed an aircraft called the Fairey Delta 2. An aircraft, as the name suggest, built using a delta-wing design, in 1956 it achieved a new world speed record of 1,132 mph. This record broken some eighteen months later by a United States Air Force McDonnell F-101A Voodoo, the success of the Fairey Delta 2 nonetheless convinced British engineers that such an aircraft could be adapted to carry passengers. The world speed record for an aircraft broken once more by the Americans in September 1957,<sup>59</sup> there came the realisa-

tion that no one European country could hope to compete against the USA due to the cost of such a project.

- 17 The race to build a supersonic airliner took a positive turn, however, in November 1962 when France and Britain signed an agreement committing themselves irrevocably to financing and building the world's first supersonic airliner.<sup>60</sup> The Joint Agreement for Development and Production of Concorde Treaty was signed by Minister of Aviation Julian Amery and by the French Ambassador Geoffroy de Courcel at Lancaster House just weeks before de Gaulle vetoed first veto. An example of technological convergence overriding political considerations, the progress made by BAC engineers based at Filton near Bristol and Sud Aviation's engineers in Toulouse, France was so great that by late 1963 wooden mock-ups of what was to become the world's first supersonic airliner were ready to be wheeled out to excited onlookers. Such was its success that in a short space of time no less than sixteen airlines had placed orders for seventy-five aircraft. Among these orders was one from Pan Am which amounted to £24 million from Pan Am.<sup>61</sup> This infuriated President Kennedy who immediately announced that the United States would build a bigger, faster aircraft than Concorde and that it could travel further. Kennedy too believed that a commitment to building a supersonic aircraft was "essential to a strong, forward-looking nation" and that it indicated the "future of manned aircraft".<sup>62</sup> Ultimately, US objectives in the domain of futuristic travel became centred on space travel and landing a man on the moon. By the time Apollo XI achieved this feat on 14 July 1969, Frenchman André Turcat had piloted Concorde's maiden flight from Toulouse on 2 March 1969 thus bringing nearly ten years of Anglo-French cooperation in the aviation industry to fruition. As a shining example of Anglo-French technological cooperation, the Concorde project overshadowed a second joint-venture in aviation between the UK and France. This time involving a third partner in the shape of the then West Germany, what became known as the "Airbus" programme began in 1965 when France and West Germany held discussions on the possibility of forming a consortium to build a short-haul aircraft. Sud Aviation again representing France, Arge Airbus (W. Germany) and Hawker Siddeley Aviation completed the make up with the UK representative joining the project in 1966.<sup>63</sup>

- 18 Described by the Labour government as a means of producing a more economical vehicle that gave more people the opportunity to experience travel by air,<sup>64</sup> in February 1967, the Minister for Aviation, John Stonehouse, spoke in the House of Commons to confirm Britain's enthusiasm for the project. Effectively, having met with the French Minister for Equipment (Bernard Pons) and the German Minister of Economics (Karl Schiller) in Bonn just a week earlier, Stonehouse was able to report that a "successful airbus would be an important step towards further technological and economic co-operation in Europe".<sup>65</sup> In Stonehouse's view, the project could "ensure that Britain remained in the subsonic aircraft field for the next 15 to 20 years", and that the project be given "high priority".<sup>66</sup>
- 19 Over the coming months further negotiations took place between officials of the three countries involved in the partnership. Concerns were raised by the UK over the cost of the project, an issue debated in both the House of Commons and the House of Lords,<sup>67</sup> however, a report entitled "The European Airbus Project" was ready to be presented to the government on 26 July 1967, and by 15 September of that year a Memorandum of Understanding was due to be signed. The project aiming to produce around 300 aircraft, its total cost was to amount to £2,400 million resulting in a contribution by Great Britain of 800 to 900 million pounds. As for British technological involvement, it was agreed that Rolls-Royce would produce an engine, and that Hawker Siddeley would take part in the aircraft's design.<sup>68</sup>

## **3. 2. Harold Wilson and the Airbus Project**

- 20 Having gained a landslide victory in the general election of March 1966, one of Wilson's first changes was to appoint Tony Benn as Minister for Technology. In this role, it was Benn who represented Britain at the official presentation of Concorde on 11 December 1967, and it was he who would defend the government regarding its expenditure for the project.
- 21 Throughout 1968, Benn found himself under increasing pressure to plead the government's case in parliament. Questions were raised in the House of Commons on 24 January 1968 enquiring how Benn's department planned to finance the project given its commitment to re-

ducing expenditure by some £28 million by 1970,<sup>69</sup> and how Concorde fitted into future government plans for an expansion of Britain's industrial capacity. The first phase of this plan being a reorganisation of British industry through the mergers seen earlier in this article, the second part was to be the Industrial Expansion Act (1968), a policy dealing with the government's intention to increase its role in the structuring and the financing of industrial projects. The financing of Cunard's *Queen Elisabeth 2* being one of the projects covered by the Act,<sup>70</sup> the continued financing of Concorde was linked to a non-cancellation clause negotiated by Macmillan's government in 1962, Wilson's government found it had no choice but to pursue with the contribution of public money to the scheme despite many still considering it a "vanity project".<sup>71</sup> Indeed, apart from the cancellation clause, Concorde was seen as a means for Britain to increase its chances of entering the EEC, it was seen as a "brilliant" piece of engineering [that would increase Britain's prestige], and a quarter of a million jobs relied on its being successful.<sup>72</sup> Though recently declassified governmental records relating to Concorde show that the Wilson government desperately tried to pull out of the project,<sup>73</sup> during 1968 the signs that it would not be financially able to continue in its support of Airbus were becoming ominous. Benn later expressing his regret at the government's decision to cease funding for the proposal,<sup>74</sup> though he stated that the A300 would continue to be a "proposition worthy of support in April 1968,"<sup>75</sup> by the beginning of August of the same year he stated that doubts had been raised particularly relating to Airbus's "commercial and financial aspects".<sup>76</sup> These doubts strengthened by reports in November that there was a certain degree of indecision in France surrounding the passenger capacity of the A300,<sup>77</sup> and that the governments of France and West Germany had a "noticeable lack of enthusiasm" for the project,<sup>78</sup> finally, in December 1968, Benn announced that he could not, in any way, "commit the Government to give financial support to any new proposals which may be brought forward by the consortium".<sup>79</sup> The decision for Britain's withdrawal from the Airbus project partially based on the aforementioned considerations, what finally influenced the outcome was, again, the matter of design. Effectively, the consortium now stated that it wished to produce a 250-passenger aircraft rather than one capable of carrying 300 passengers. The delay necessary for the new design being subject to "stringent economic criteria" that the

British government had to respect in view of its restructuring of Britain's industrial landscape,<sup>80</sup> one company involved in this restructuring (Rolls-Royce) stopped production of the engine (the RB.211) required for the 250-seat version of the A300. Even when taking the points raised in the previous sections of this paper into consideration, ultimately, what sank the Airbus project was the withdrawal of this engine-producing giant.

### 3. 3. What tipped the balance?

- 22 The Memorandum of Understanding having been signed in September 1967, in July it was agreed that renowned British engine manufacturer Rolls-Royce would supply certain parts of the engine for the A300 in exchange for France being given leadership of the aircraft design.<sup>81</sup> At the same time as these negotiations were taking place, in the United States two American aircraft manufacturers, McDonnell Douglas and Lockheed, were in the midst of finalising plans to develop a medium-range aircraft that would be wider and longer than the A300. As for Lockheed, this was the TriStar. Just days before the Memorandum of Understanding was signed, Lockheed announced that it was ready to take orders for its new aircraft while McDD announced that it had started the development of the DC-10. A fierce commercial battle broke out between the two US manufacturers to gain control of the 300-seat middle-range aircraft market. The consequences for the loser being "calamitous and possible terminal",<sup>82</sup> Lockheed discovered that Rolls-Royce's RB.211 was more advanced in its development than an engine being developed by Pratt & Whitney, the JT9D. The RB.211 also being less expensive, another consideration for Lockheed was that it expected Britain to, one day, join the EEC; and once it had it would serve as a means for Lockheed to enter the European market.<sup>83</sup>
- 23 Rolls-Royce therefore in possession of contracts to supply both Lockheed and Airbus in the summer of 1967, the Memorandum of Understanding set the date for the next phase of the Airbus programme for July 1968. The relations between France and the UK seemingly harmonious, cracks in the partnership began to appear as both sides "stubbornly reflected on their own vital interests", the design of the engine and the airframe respectively.<sup>84</sup> Additionally, the French were

angered by BAC's contemporaneous development of the Two-Eleven, a widebody aircraft intended to replace airliners such as the de Havilland Comet, the Sud Aviation Caravelle, and the Boeing 707. The plans for the Two-Eleven shelved in 1968 once the British government realised it would have to finance the project to the tune of several tens of millions of pounds,<sup>85</sup> BAC's idea was also opposed by Tony Benn who argued that the Two-Eleven would damage the prospects of Airbus.<sup>86</sup> In the end, the Two-Eleven project was shelved only to be replaced with a three-engined, widebody airliner that, although slightly smaller, rivalled Airbus in many respects. The aircraft in question known as the Three-Eleven, or the BAC 311, it was publicly introduced at the 1967 air show, and was powered by the Rolls-Royce RB-211 engine. Though orders were placed by airlines such as the Luton-based Autair, finally it turned out to be yet another "paper aeroplane" from BAC that never left the drawing board.<sup>87</sup> A project that was also abandoned by the British government in December 1970, it has also been described as the "Airbus that should have been".<sup>88</sup>

24 As for the situation in early 1968, more strain was put on Anglo-French relations when it became clear that the development of the RB.207 was falling behind schedule. As Roger Béteille was to discover, Rolls-Royce engineers were spending more time working on the RB.211 and the lucrative contract with Lockheed than on the RB.207.<sup>89</sup> Having heard rumours to this effect, to obtain confirmation Béteille organised a meeting in Derby between himself, Sir Denning Pearson of Rolls-Royce, Sir David Huddie and Maurice Papon, the President of Sud Aviation. The meeting was revealing in that it showed that the price for the two engines required for the A300 was higher than the three needed for the TriStar. He knew that this would make it financially impossible to sell a twin-engined plane with fewer seats for more money than the American aircraft. This, he states, was the beginning of the end for Rolls-Royce's initial involvement in the Airbus project.<sup>90</sup>

25 If the context was not bad enough for the continuation of the Airbus project, on 10 July 1968, the President of the Board of Trade announced in parliament the order of 26 Hawker Siddeley Trident 3Bs valued at some £83 million.<sup>91</sup> The purchaser of the Trident 3Bs being British European Airways (BEA), the airline had been operating Tridents since 1965 with the British government persuading the British

firm to opt for the Trident rather than the Boeing 727. The plans to buy this US aircraft vetoed by the government,<sup>92</sup> BEA was compensated by Wilson's government to the tune of £25 million for the loss of profits linked to the higher cost of the Trident.

- 26 There are numerous political and economic considerations that influenced the British government's decision to distance itself from the Airbus project in 1969. Some of these considerations can be explained by the desire to prioritise the interests of British industry at a time when it, and especially the aircraft sector, found itself needing to adapt to Wilson's plans for Britain's future, and requiring as much assistance and encouragement from the government that it could muster. The decisions in question comparable in their objectives to those taken by de Gaulle when rejecting the UK's request to join the EEC in 1962 and 1967, it appears from the content of the previous pages that Britain in 1969 was still optimistic that its aircraft industry could compete against American giants, and that a partnership with European nations was not immediately necessary. A position that marked the subsequent decline and marginalisation of Britain's aircraft industry for some time, it was also a position that soured Anglo-French relations. To some extent, these relations were repaired by Britain's decision to re-join the Airbus project in August 1978.

## Conclusion

- 27 Though Wilson's government appears to have been ruthless in its decision to abandon the Airbus project in 1969, a decision that might be interpreted as perfidious, this article has gone some way to presenting some of the criteria on which this decision was based. We have seen that Britain was struggling to find a new identity in the mid-1960s after having lost its role in world politics, we have seen that British industry was suffering from a lack of innovation leading to a lack of competitiveness, and we have seen that these issues were addressed from 1965 with somewhat of a rejection of Britain's industrial past and a restructuring of Britain's economy. These developments often masked by 1960s Britain being a hub for the societal changes occurring at the time – changes, naturally, that also affected France – what we have seen is that the financial legacy of Britain's recent past deeply affected the decision-making of Wilson's government. It in-

herited enormous debts from previous governments, it inherited a costly Concorde project to which it felt committed for political reasons and reasons relating to national prestige, and we have seen that these reasons ultimately resulted in withdrawal from the Airbus project. What should not be forgotten, is that although there were bumps along the way to developing Airbus, despite continuing, and severe, industrial strife and financial woes during the 1970s, a country once labelled the “sick man of Europe”, and a country having to hold out its hand to the International Monetary Fund for help in 1976, continued in its commitment to produce the Airbus. In view of the problems described in this paper, the question is, perhaps, not why Britain sometimes was the source of problems for Airbus, but why, indeed, there were not more serious problems that could have caused its ultimate collapse.

## NOTES

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## ABSTRACTS

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## English

The decision by Harold Wilson's government to abandon the Airbus project in 1969 soured French/UK relations. It led to accusations that the UK was an untrustworthy business partner unable to draw itself away from the question of its relations with the United States. A position that encouraged Charles de Gaulle to veto the UK's application to join the EEC, the abandoning of the project threatened to derail the project a whole. While not disputing that Wilson's government appeared to be somewhat reckless in decision-making linked to Airbus, the paper argues that there were a variety of contextual reasons that complicated the task of taking a decisive and firm stance. These reasons linked principally to Britain's industrial landscape; the paper relies on archival documents as well as peer-reviewed publications.

## Français

La décision du gouvernement d'Harold Wilson d'abandonner le projet Airbus en 1969 a envenimé les relations franco-britanniques. Elle a conduit à des accusations selon lesquelles le Royaume-Uni était un partenaire commercial indigne de confiance, et incapable de se détacher de la question de ses relations avec les États-Unis. Une position qui encourage Charles de Gaulle à mettre son veto à la demande d'adhésion du Royaume-Uni à la CEE, l'abandon du projet menaçait de faire dérailler l'ensemble du projet. Tout en ne contestant pas que le gouvernement de Wilson ait semblé quelque peu téméraire dans la prise de décision liée à Airbus, l'article soutient qu'il y avait une variété de raisons contextuelles qui ont compliqué la tâche d'adopter une position décisive et ferme. Ces raisons sont principalement liées au paysage industriel britannique de 1964 à 1969. L'article s'appuie sur les archives du gouvernement britannique.

## INDEX

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### Mots-clés

Airbus, Royaume-Uni, Concorde, Wilson (Harold), Benn (Tony), France, relations franco-britanniques, Rolls-Royce, Boeing, années 1960s, avancées technologiques, troubles industriels, CEE, de Gaulle (Charles)

### Keywords

Airbus, UK, Concorde, Wilson (Harold), Benn (Tony), France, French/UK relations, Rolls-Royce, Boeing, 1960s, Technological advance, industrial unrest, EEC, de Gaulle (Charles)

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