

『영미연구』

제50집 (2020): 47-76

<http://doi.org/10.25093/jbas.2020.50.47>

Who Blinked First? : Britain, Malaysia and the Dilemma of Concorde, 1977–1979

Tae Joon Won
(POSTECH)

[Abstract]

In December 1977, the Malaysian government halted the BA's Concorde service from London to Singapore by refusing permission for supersonic flights over Malaysian territorial waters. The official reason given was for environmental concerns. But Kuala Lumpur hoped to use Concorde as a bargaining chip to persuade London to renegotiate the Air Services Agreement and allow more Malaysian Airline System flights into London, although MAS was making more money on the route than BA. The British, however, called Malaysia's bluff and announced that they would shelve the Concorde service before renegotiating the Air Services Agreement, thus removing Concorde from the equation and making it clear that the British had no incentive to grant the Malaysians the additional flights they wanted. Furthermore, the British warned that additional British investment in Malaysia may not happen if the Concorde matter was not resolved. In addition, Australia's announcement of its International Civil Aviation Policy meant that London was now in a position to grant

more Malaysian flights without damaging BA's interests. Also, technical modifications to the Concorde in late 1978 meant that the plane could fly subsonically over Malaysian waters without incurring a significant payload penalty. The British were now in a very strong position to press the Malaysians into allowing supersonic overflights, since Malaysia would now need to appease the British in order to secure more MAS flights into London. Consequently, Malaysia finally agreed to allow supersonic overflights and the London-Singapore Concorde service resumed in January 1979.

Key Words: Britain, Malaysia, Singapore, Concorde, Air Services Agreement

I. Introduction

In May 2012, in relation to a lawsuit filed against Nippon Steel & Sumitomo Metal Corporation by victims who had been forcibly recruited by the company during Japan's colonial occupation of Korea, the Supreme Court of the Republic of Korea ruled that despite the 1965 Korea-Japan Agreement on the Settlement of Problems Concerning Property and Claims, which obliged Tokyo to offer Seoul \$300 million in free grants, \$200 million in long-term and low-interest loans and \$300 million in commercial loans (Song 2020), "the right to claim individual compensation for losses that resulted from illegal acts directly connected with colonial occupation cannot be said to have expired" (Park 2013). This ruling paved the way for the Seoul High Court to rule in July 2013 that the Japanese steel giant should pay 100 million won each to the four plaintiffs in delayed salaries and damages, a decision that was subsequently confirmed in October 2018 and augmented by a similar finding against

Mitsubishi Heavy Industries the following month by the Supreme Court (Kim, Jan 2020). In August 2020, the Daegu District Court officially finished serving notice to Nippon Steel that the latter's assets will be seized and liquidated in order to adhere to the compensation ruling. (Park 2020). As of early October 2020 an immediate appeal has been filed by Nippon Steel against the seizure, and the Japanese government has warned that it would implement further retaliatory measures against South Korea if the seizure were to go ahead, which could include tariff hikes, stricter restrictions on visa issuance, financial sanctions, seizure of Korean assets in Japan and recalling the Japanese Ambassador to Seoul (Kim, Aug 2020).

Instances where the traumatic and painful memories of colonial rule continue to cast a shadow over political and economic relations between the former colony and its former colonial master are of course not confined to the two East Asian neighbours mentioned above. Even though the distinctive process of the British Empire's demise, which had been "gradual and, in many instances, peaceful and amicable," had somewhat allowed Britain to "preserve the economic, and sometimes military, relationships between the former mother country and the ex-colony" (Campanella 2019), the issue of London's relations with some of its former colonies has been "often fraught, both at home and abroad" (Harvey 56). The most prominent recent example of this has been Britain's complex dealings with Robert Mugabe's Zimbabwe. Upon coming to power in 1997, the Tony Blair government adopted a policy urging Mugabe to "bring about a return to respect for human rights and the rule of law" in Zimbabwe (qtd. in Williams 92) But with South Africa and many other African members of the Commonwealth and the African Union showing great reluctance to help Britain wholeheartedly in condemning Mugabe, Blair's imposition of various sanctions on Zimbabwe's government "did little more than fuel Mugabe's ability to depict the situation in black and white terms, and the UK as an overbearing

imperial power” (Williams 92). On Zimbabwe’s suspension from the Commonwealth in March 2002 as a result of the widespread violence and vote-rigging that surrounded Mugabe’s re-election as President being extended in December 2003 at the urging of Blair, Mugabe denounced the grouping as an “Anglo-Saxon unholy alliance” and promptly withdrew membership from the association (White 2003). Relations between Britain and Zimbabwe would not improve until 2017, when Mugabe was ousted in a military coup in November 2017 after 37 years in power and replaced by Emmerson Mnangagwa who has since reapplied for Zimbabwe to rejoin the Commonwealth (Mutsvairo and Muneri 12).

Another notable example of Britain’s less-than-smooth postcolonial dealings with its former possessions is none other than Anglo-Malaysian relations. As mentioned above, “the peaceful way in which Malaysia gained independence from Britain [in August 1957] precluded the phenomenon of elite resentment towards the colonial master found in many Third World countries,” and as such, Britain’s economic, social and cultural influences have endured in Malaysia long after its departure, giving Britain “a privileged position in its bilateral relations with Malaysia” (Ruhanas 430). However, this does not mean that Anglo-Malaysian relations have always been immune from rough patches during times when Malaysian leaders have found it politically expedient to manipulate their traditional relationship with Britain in order to “safeguard national independence and interests” (Ruhanas 431). Abdul Razak bin Hussein, who replaced Malaysia’s first Prime Minister, the Anglophile Tunku Abdul Rahman, as head of government in 1970, wanted to move Malaysia “from its pro-Western, anti-communist stance, which had been adopted since independence under the Tunku’s leadership” and therefore took the lead in “adopting a non-aligned image and advocating regional détente” (Cheah 150) in order to fend off Indonesian accusations of Malaysia being an American and British imperial creation (Liow 102).

Mahathir Mohamad, who served as Deputy Prime Minister and Minister of International Trade and Industry from 1978 to 1981 before going on to rule as Prime Minister from 1981 to 2003, “was not very well disposed toward Britain” since “he had no fond memories of having studied there, and he was opposed to it as a colonial power” (Milne and Mauzy 139). As such, Mahathir’s government had no qualms about engineering a lightning raid to take over the Guthrie Corporation - then the premiere British rubber and oil palm conglomerate in Malaysia - at the London Stock Exchange in September 1981 in order to return agricultural land to the Malaysian people, much to the horror and fury of the British government which accused Mahathir of orchestrating a “subtle act of nationalization” (Dhillon 168). When the British authorities amended the takeover codes in order to prevent further “Guthrie Dawn Raid” antics, Mahathir interpreted this action to be nothing less than Britain’s “deliberate attempt to prevent Malaysia from acquiring control of further of its British-owned national assets by legitimate means and as such a challenge to [Malaysia’s] economic policy” and launched the “Buy British Last” policy as an act of retaliation (Chin and Suryadinata 474). This ban on awarding government contracts to Britain was rescinded in April 1983, but another ban was imposed by Mahathir in February 1994 when it was alleged that British aid for the construction of the Pergau hydro-electric dam in northern Malaysia was linked to a 1.3 billion-pound sale of British arms to Kuala Lumpur, and that a British construction firm was arranging for bribes to be paid to top Malaysian officials including Mahathir himself (cf. Lankester). Britain too cannot be entirely absolved of blame for the loss of opportunities to improve Anglo-Malaysian relations, one of the most notable losses being the British government’s decision in the early 1970s not to allow judges from Malaysia to be appointed to the Judicial Committee of the Privy Council in London - the final court of appeal for a number of Commonwealth

nations – on the grounds that the Malaysian judges would not be able to swear an oath of loyalty to the British sovereign as required, that the ‘white’ Commonwealth nations would not accept rulings from non-white judges, and that judges from Asia were of insufficient caliber to sit on the Committee (cf. Won 780-92).

This article focuses on another diplomatic issue that served to antagonize Anglo-Malaysian relations during the late 1970s: the problem of Concorde. The glamorous supersonic jet – the prototype of which began flying at twice the speed of sound in 1969 after more than decades of joint Anglo-French development at a cost of more than 1 billion pounds by 1972 (Wasserstein 580) – was seen as the ultimate transportation of the future, and as such 16 airlines in six countries had ordered over 74 of these planes by 1972 (Cholle 104). But Concorde’s first service – which began with British Airways’ London-Bahrain route and Air France’s Paris-Rio de Janeiro route in January 1976 (Orlebar 20) – could not have come at a worse time for a plane that on average consumed 6,770 gallons of fuel per hour, which was more than four times as much as a regular jet airplane (Beevor 25). The Oil Crisis of 1973 which was brought on by the Yom Kippur War and inevitably led to financial difficulties for airline companies, competition from other plane manufacturers such as Boeing, the fatal accident of Concorde’s Russian equivalent – the Tupolev Tu-144 – at the 1973 Paris Air Show, and the “sharp crack of the sonic boom” that occurred when the plane reached and then passed supersonic speed all contributed to nearly all the orders for the Concorde being wiped out by the end of 1973 (Cholle 104). In the end, only 20 Concordees were ever built with the government-sponsored British Airways and Air France being the only customers, and then for only 14 planes at that (Chittum 80).

Profitability became the most serious issue for the operators of Concorde in its early years of service; not long before the plane went into service, British Airways

(BA) feared that Concorde services would lose the airline 20 million pounds a year (Glancey 161). The Concorde's transatlantic services alone, such as BA's London-New York route which managed to commence in November 1977 despite initial bans first by the United States government and then by the New York City government on environmental grounds (Witkin 1977), would not bring in enough income to make Concorde operations profitable during the early years of operation (Witkin 1978). As such, BA strived to create and expand as many Concorde flight routes as possible across the globe, notwithstanding the plane's limited flying range of around 4,000 miles with maximum payload (Blackall 101). In this vein, an important objective for BA was to extend Concorde's London-Bahrain route through to Singapore, which would then allow the plane to go on from Singapore down to Sydney (Glancey 140). Although the London-Bahrain-Singapore service was launched on 9 December 1977, this joint service with Singapore Airlines was cancelled after just three return trips as the Malaysian government withdrew flying rights over the Straits of Malacca citing concerns over the sonic boom generated by the plane (Orlebar 71).

As an incident that caused considerable upset to BA's long-term plans for Concorde and in the long run would all but restrict Concorde services to crossing the Atlantic, Malaysia's intervention in the operation of the supersonic airliner was widely reported by the world's press at the time and is an episode that is touched upon in various publications dealing with the history of supersonic aircraft, of BA, and of the British airline industry in general. But the affair is given little more than a passing mention in these works, with the authors mostly preferring to lay out the official Malaysian explanation of environmental concerns as the primary cause of the commotion (cf. Higham). By using recently opened official British government papers concerning discussions between London and Kuala Lumpur over the issue of

over-flying rights, this article seeks to add substantially to the scarce amount of existing analysis on the subject and thereby draw a more fuller picture of a significant diplomatic spat that occurred between a former imperial power and its former possession.

II. Britain Pleads, Malaysia Prevaricates - December 1977 to April 1978

Talks between British and Malaysian officials on the supersonic overflight of Malaysian territory by Concorde's extended London-Bahrain-Singapore service had begun in January 1977, during which the Malaysians "gave [the British] to believe there would be no problem" for Kuala Lumpur to give its permission (TNA, FCO 76/1796, 2 Mar 1978). As such, the British government notified the Malaysians in October of the exact route which the service, "which would be a joint one with Singapore Airlines," would take (TNA, FCO 76/1796, 2 Mar 1978). But then the Malaysians abruptly announced on 7 December that they were refusing Concorde overflight "even at subsonic speed" and air traffic control on environmental grounds (TNA, FCO 76/1796, 2 Mar 1978). This had occurred even though in September 1973 Kuala Lumpur had allowed Concorde - not yet in service at the time - to overfly Peninsular Malaysia at subsonic speed in return for Britain allowing Malaysian Airline System (MAS) to operate either two Boeing 707 aircraft or one DC-10 aircraft to London (TNA, FCO 76/1796, 28 Feb 1978). The inaugural flight on 9 December and two additional flights managed to take place through Indonesian airspace with Jakarta's consent, but Jakarta refused to permit more Concorde flights if Malaysia, whose air traffic control covered the Malacca Straits and the Bay of

Bengal, would not agree to it (TNA, FCO 76/1796, 2 Mar 1978).

The British government was of the position that Malaysia was in breach of their obligations under the 1944 International Air Services Transit Agreement (IASTA), which stated that contracting states exchange among themselves two “freedoms” of the air – the right to overfly and the right to land for non-traffic purposes (TNA, FCO 76/1796, 2 Mar 1978). During additional talks in January 1978, British officials provided “a good deal of material” to their Malaysian counterparts in order to allay Jakarta’s professed environmental fears, and it was only then that the Malaysians voiced their dissatisfaction with the Air Services deal they had with Britain, which only allowed two MAS planes to land in London per week (TNA, FCO 76/1796, 2 Mar 1978). The Malaysian’s argument was that prior to 1972, one single airline – Malaysia/Singapore Airlines (MSA) – had served both Kuala Lumpur and Singapore, but Malaysia’s “desire for a separate identity in this field” had led the government to break up the airline into MAS and Singapore International Airlines (SIA), the latter of which allegedly “inherited most of the intercontinental rights of MSA and that MAS, which was then intended to be a primarily regional airline, came off considerably second best” (TNA, FCO 76/1796, 5 Apr 1978). With the Malaysian government having had decided to extend MAS into an intercontinental airline, Kuala Lumpur was insisting that London “should accept Malaysia’s entitlement to an equal share of the MSA inheritance” (TNA, FCO 76/1796, 5 Apr 1978).

British officials were concerned that no understanding on Concorde would be reached by the time the British Foreign Office Minister, Lord Goronwy-Roberts, arrived in Kuala Lumpur for an official visit on 22-25 March 1978. This, to the British, would “be a setback to our general policy, to which the Prime Minister [James Callaghan] attaches importance, of convincing the Malaysians of the value we attach to our relationship, and of then profiting from it” (TNA, FCO 76/1796, 6 Mar

1978). As such, a British Department of Trade and Industry official was sent ahead to Kuala Lumpur to try and salvage the situation, only to have his Malaysian counterpart at first prevaricate by bringing up his country's concerns for environmental problems and then suddenly proclaiming that "the settlement of other matters was a pre-condition for allowing Concorde to fly through" Malaysian air space (TNA, FCO 76/1796, 13 Mar 1978). The Malaysians then went on to argue that they had absolutely no legal obligation to allow supersonic overflights over their territorial waters because IASTA did not apply to Concorde as the supersonic plane was not an aircraft as envisaged by IASTA; it was merely a "flying mechanism" (TNA, FCO 76/1796, 13 Mar 1978).

While incensed that the Malaysians were "grasping at every possible straw to make difficulties for us [until they] get what they want" (TNA, FCO 76/1796, 13 Mar 1978), Britain had to concede that Malaysia had a point. While it "would be possible to argue that supersonic overflight was covered by IASTA obligations, [the argument] is not an interpretation [Britain themselves] would accept, because [Britain] would not be prepared to allow supersonic overflight of the UK by IASTA parties even if [Britain] were offered in return an undertaking to allow supersonic overflight by Concorde of another state's territory" (TNA, FCO 76/1796, 21 Mar 1978). Therefore, legal advisers in the Foreign Office suggested that while subsonic overflight of Malaysian territorial waters was indeed covered by IASTA, Malaysian approval should be pursued for supersonic flights over Malaysian territorial waters "on the grounds that no environmental damage will be caused" (TNA, FCO 76/1796, 21 Mar 1978). In line with the advice Goronwy-Roberts' delegation, during their visit to Kuala Lumpur, tried to reassure Malaysian Prime Minister Hussein bin Onn on the environmental impact of Concorde by explaining that on take-off in Britain "supersonic speed was reached 7 miles off the Welsh coast, and in the inward

direction, the aircraft was still flying supersonically at a point 8 miles off Devon,” thus flying supersonically “twice as close to Britain as she would to Malaysia” since at no stage would Concorde be flying closer than 15 miles to Malaysian territory (TNA, FCO 76/1796, 23 Mar 1978). It was also painstakingly argued that Concorde, “which had immense importance for the UK,” would only fly supersonically over Malaysian territorial waters for 14 miles in one direction and 5 in the other (TNA, FCO 76/1796, 23 Mar 1978). Despite such assurances from a senior member of the British government, however, Hussein cited India’s refusal to allow supersonic overflying by Concorde within 45 miles outside Indian territorial waters and – with the assistance of none other than his Deputy Prime Minister, Mahathir Mohamad – asked for “full details about the effects of the sonic boom” (TNA, FCO 76/1796, 23 Mar 1978). In order to keep the mood friendly, Goronwy-Roberts explained that he “understood Malaysian concerns” about the Air Services Agreement and that he “was aware of the need for a general reappraisal” but stressed that the issue and the Concorde issue “should be kept entirely separate [as] Concorde was a question of technical information on one issue. It was not to be traded off against air traffic rights, or bad precedents could be created for both sides” (TNA, FCO 76/1796, 23 Mar 1978). Hussein responded that even though the Malaysian government “wished to keep Concorde and air services separate, they were connected in the public mind” (TNA, FCO 76/1796, 23 Mar 1978). Moreover, when Goronwy-Roberts wrapped up the discussion by suggesting that Concorde be allowed to fly as proposed for a trial period of six months, Hussein replied that he would take note of the suggestion but warned Goronwy-Roberts not to make public any offers of compensation for damages that Concorde might cause, since the Malaysian government were about to face a general election and therefore could not look as if they were “selling their environment, or permitting Malaysians to be made guinea pigs” to their former

colonial masters (TNA, FCO 76/1796, 23 Mar 1978).

Another problem that London had to take into account in negotiations with Kuala Lumpur was the power struggle between the most senior members of the Malaysian government. Malaysian Home Affairs Minister Muhammad Ghazali bin Shafie – in a meeting with Goronwy-Roberts during a visit to London shortly after Goronwy-Roberts' visit to Kuala Lumpur – expressed his strong dislike for Mahathir Mohamad and his interventions, which led Goronwy-Roberts to suspect that Ghazali was “attempting to seek a deal which will reflect his own negotiating skills” and therefore will allow him to score political points off his Deputy Prime Minister (TNA, FCO 76/1796, 5 Apr 1978). Taking this to mean that in effect Malaysia could not but take a hardline approach to the Concorde problem, Goronwy-Roberts reported back to London that he was “reluctantly of the opinion that the Malaysians will not concede Concorde overflight ... in advance of the Review of the [Air Services Agreement] we have offered them” (TNA, FCO 76/1796, 30 Mar 1978).

One other “major political element of which sufficient account had not been taken” by the British government was the rivalry between Malaysia and Singapore (TNA, FCO 76/1796, 21 Apr 1978). Malaysia had “for a long time been concerned at Singapore’s success in becoming the aviation hub of South East Asia” (TNA, FCO 76/1796, 20 Apr 1978). It was clear that Malaysian ministers had shown hostility to Concorde services “only after BA and SIA announced their joint operation of the aircraft and after SIA advertised their success in the press” (TNA, FCO 76/1796, 20 Apr 1978). Moreover, the Malaysians were “hurt by the fact that Concorde would use their airspace and [related] facilities but that there is no prospect of a Concorde service for Kuala Lumpur” (TNA, FCO 76/1796, 20 Apr 1978). But there was very little that the British government could do alter this arrangement in Malaysia’s favour due to BA’s claim that “their agreement with Singapore Airlines for the joint

operation of Concorde is of substantial commercial value, since SIA's greater commercial expertise in the Far East will pull in traffic which BA alone could not get and this will more than outweigh SIA's offtake" (TNA, FCO 76/1796, 20 Apr 1978).

By this time the problem of Concorde had become one of considerable concern within British political circles. Some in the government felt that the issues of Concorde "were more important to HMG [the British government] than to BA [since] UK 'face' had also become involved. There was parliamentary interest [in the issue], and the longer we endured denial of our rights, the more likely it would be that someone else would feel they could put pressure on us" (TNA, FCO 76/1796, 4 Apr 1978). This dilemma caused a split within Whitehall: while the Department of Trade prioritised the utilisation of Concorde and therefore "saw no point in starting the review until Concorde overflight had been settled," the Foreign Office worried that delaying the review "would risk further souring relations" with Malaysia (TNA, FCO 76/1796, 4 Apr 1978). Of course, banking on the Air Services Agreement review as leverage to attain Malaysian permission for Concorde was risky. Even a good outcome for Malaysia in the review would not necessarily guarantee permission for Concorde. But MAS was out-earning BA by more than two to one on the trunk route between Britain and Australia and was out-earning Cathay Pacific Airlines (CPA) – whose home hub was the British colony of Hong Kong – by about three to one on the regional route under the existing arrangement (TNA, FCO 76/1796, 20 Apr 1978). As such, the British were worried that the Malaysians had "pinned too much hope" on the review, and that they were "likely to be heavily disappointed" by the outcome as the imbalance was already heavily in favour of MAS (TNA, FCO 76/1796, 4 Apr 1978). The only option for Britain seemed to be to drag out the negotiations for "a long time" and to hope that "positions [on Concorde] may

change” during that period (TNA, FCO 76/1796, 11 Apr 1978).

III. Britain Changes Posture, Malaysia Feels the Heat - May to August 1978

With no end in sight to arriving at a solution to the Concorde dispute, the British began to mull over the option of turning the tables on the Malaysians by informing them that BA would shelve the Singapore service before discussions on the Air Services Agreement commenced at the end of May 1978 (TNA, FCO 76/1797, 4 May 1978). This dramatic change in tactic, the British hoped, would allow the British to insist on a review of the Arrangement “on its merits” which, after a few rounds of negotiations, would impel the Malaysians to “decide ... that it was in their interest to allow Concorde in order to preserve the advantage they derive from the [Air Services Agreement], which they would otherwise lose” (TNA, FCO 76/1797, 8 May 1978). The British government however decided to refrain from immediately implementing this tactic and to ask the Malaysian government once more to allow the resumption of Concorde flights, but this time with the sweetener that Britain had been able to adjust the Concorde’s flight path which would allow it to overfly only two miles of Malaysian territorial waters, instead of the 14 miles as originally envisaged (TNA, FCO 76/1797, 8 May 1978). This was the line with which the British Trade Secretary, Edmund Dell, held talks with Mahathir when the latter visited London on 16 May. Mahathir began the talks by making a short statement that the Malaysian authorities were studying various “authoritative” articles on the environmental effects of Concorde, but that if the “strong” Consumers’ Association in Malaysia “had their way,” Concorde would not be able to fly (TNA, FCO 76/1797,

16 May 1978). The conversation then swiftly to the issue of the Air Services Agreement. Dell commented that “Malaysian air services were carrying most of the traffic between Malaysia and the UK and so it was not clear ... what Malaysia wanted from the air services agreement” (TNA, FCO 76/1797, 16 May 1978). Dell also reiterated the British position that there was “no question of buying entry for Concorde through concessions in the air services agreement. Any move of this kind would open up any Concorde service to other countries to similar bargaining” (TNA, FCO 76/1797, 16 May 1978). Mahathir responded that while “he was not expecting the UK to buy entry for Concorde in this way,” he nevertheless attempted to resurrect the issue of the unfairness of the Air Services Agreement by pointing out that more British planes were allowed to land in Kuala Lumpur than Malaysian planes were allowed in London (TNA, FCO 76/1797, 16 May 1978). However Dell cut him short, repeating that Concorde was not to be used as a bargaining counter. What is more, Dell reminded Mahathir of the former’s planned visit to Malaysia at the end of June accompanied by a group of senior British businessmen who “were keen to discover the scope for business activity in Malaysia” and remarked that he hoped “journalists [covering the visit] would not ask about Concorde alone” (TNA, FCO 76/1797, 16 May 1978). An alarmed Mahathir inquired as to whether Dell’s visit to Malaysia was in any way designed to influence Kuala Lumpur’s decision on Concorde, since the Malaysians had “regarded the visit as separate and were interested in encouraging investment in Malaysia but not in doing so at any cost” (TNA, FCO 76/1797, 16 May 1978). Dell replied nonchalantly that he was not linking these matters but “was merely saying that any visit with businessmen he made would be dominated by Concorde if the issue had not been settled by that time” (TNA, FCO 76/1797, 16 May 1978). Dell then added for good measure that it “was a matter of regret to him that the [Concorde] issue had interfered with

UK/Malaysian relations” (TNA, FCO 76/1797, 16 May 1978). The British were now starting in earnest to make clear that they would not be pushed around into giving Malaysia advantages “which they do not deserve” in strictly Air Services Agreement terms without some guarantee that the Concorde issue would be resolved, and that the Malaysians may indeed have more to lose if they persisted in their refusal to allow Concorde overflight (TNA, FCO 76/1797, 19 May 1978).

Following hot on the heels of their Deputy Prime Minister, the Malaysian negotiating team for the Air Services Agreement arrived in London in late May. While they “made it clear that they were not prepared to discuss Concorde substantively” – indeed, the delegation had only one official responsible for environmental issues who was expected to conduct Concorde talks outside the main negotiations – the British team decided to play hardball and “brought the Concorde in front of the main body of their delegation by ... having their and our experts report back at intervals” during the two-day talks (TNA, FCO 76/1797, 31 May 1978). The British also warned the Malaysians that the British government would “have to consider its position” depending on the outcome of the Malaysian government’s reaction to the environmental evidence on Concorde that the British had provided: when asked by the Malaysians to “elaborate on this sinister phrase,” the British refused (TNA, FCO 76/1797, 31 May 1978). Such acrimonious exchange between the two sides led Mahathir to state publicly that “even if the British authorities were to give MAS more landing rights and better conditions, the Malaysians would not allow Concorde to over-fly if they were convinced that it was harmful to their environment” (TNA, FCO 76/1797, 8 June 1978). However, the British decided to hold firm on their resolve and to give the Malaysian government more time to scrutinise the environmental data as well as to provide them with some breathing space until the Malaysian general election on 8 July (TNA, FCO 76/1797,

20 June 1978).

While waiting for the Malaysians to make a definite decision on Concorde, the British also became more proactive in gauging the mood in Indonesia with the objective of piling additional pressure on Malaysia. As mentioned earlier, flying down the Straits of Malacca necessitated Indonesian cooperation, but Jakarta had made it clear after the initial service in December 1977 that Concorde would not be allowed additional overflights unless Kuala Lumpur gave its approval. Although the British were careful not to “under-estimate the extent of ASEAN solidarity” (TNA, FCO 76/1796, 20 Apr 1978), they felt that there were promising signs that the Indonesians might be open to some sort of arrangement for Concorde. London had handed over important Concorde-related papers to the Indonesians at the latter’s request, albeit “at an official level for purely information purposes” lest it would appear that Britain was “playing off Indonesia against Malaysia” (TNA, FCO 76/1796, 29 Mar 1978). Also, air services between Britain and Indonesia were good as the arrangement allowed both Cathay Pacific and Garuda Indonesia “to increase their capacity – with a slight edge in favour of the latter” (TNA, FCO 76/1796, 20 Apr 1978). As such, it was the British position that “Indonesian officials [are] well disposed towards us” (TNA, FCO 76/1796, 20 Apr 1978). Therefore London felt it would be worthwhile to explain to Jakarta, should worse come to worst, that the British government “had tried every possible means of avoiding a breakdown in talks with the Malaysians” and thereafter try and persuade Jakarta to help London change Kuala Lumpur’s mind (TNA, FCO 76/1797, 2 Aug 1978).

IV. Australia Jumps In, Britain Turns the Tables, Malaysia Blinks - October to December 1978

With such strategies and fallback positions in mind, Britain began to tighten the screw on Malaysia in October after the Malaysian general election was safely out of the way with victory for the ruling Barisan Nasional coalition. British diplomats appealed to the Malaysian government that they had “tried very hard to remove what might have been regarded as legitimate grievances on the the part of the Malaysians. There had been a programme of high-level political visits and hopefully there were more to come. High-level trade visits had also taken place and more were planned. [As] regards civil aviation it was time for a new look. The general elections ... were over. Some of the political sensitivity about Concorde should now surely be less acute” (TNA, FCO 76/1798, 24 Oct 1978). The diplomats then warned that Malaysian stubbornness over Concorde could bring about long-term economic losses for Kuala Lumpur by arguing that “it would greatly improve the general political atmosphere and remove one of the points which was always raised on the British side if we spoke, as the Malaysians were encouraging us to do, in favour of further British investment in Malaysia. The Concorde problem was a barrier [to more British investment in Malaysia]” (TNA, FCO 76/1798, 24 Oct 1978). Furthermore, the diplomats implied that notwithstanding the fact that Britain’s “position on general air services matters remains unchanged” (TNA, FCO 76/1798, 30 Oct 1978), “the solution of the Concorde problem would make it much easier for our negotiators to consider Malaysian interests in the civil aviation context than if they, as it were, had a pistol aimed at their heads It should not be forgotten that we had already made a gesture over civil aviation by suggesting a fundamental review of the agreements, although we were in no way bound to do so” (TNA, FCO 76/1798, 24 Oct 1978).

The Malaysians, no doubt unnerved by such pleas and implied threats, for the first time gave a hint of their possible acquiescence by replying that they “found these arguments persuasive and would consider them very carefully” but were careful not to give the British any definite answer.

However, two unexpected occurrences in the last remaining months of 1978 would decisively tilt the balance in Britain’s favour. The first came from Australia, Concorde’s ultimate service destination for which the service to Singapore had to be operated. The Australian government had taken “a political risk [in 1976] in approving a Concorde service, before completing their own study of its environmental impact,” such was Canberra’s desire to attain the prestige of having the supersonic aircraft operate services to Melbourne (TNA, FCO 76/1797, 8 June 1978). Indeed, one of the very first things that Australian leader Malcolm Fraser said on his arrival in London from Washington by Concorde in early June 1978 was that he was “looking forward to the day when Concorde started serving Australia” (TNA, FCO 76/1797, 8 June 1978). But in the competitive world of subsonic travel, Qantas – Australia’s national carrier – was coming under increasing competition on its most important routes between Europe to Australia – known as the ‘Kangaroo Route’ – from other international rivals such as Singapore Airlines. The financial position of Qantas had come “under pressure at a time when there was also a rising demand for cheaper fares from sections of the Australian public and travel industry” (Frost 48). In order to ensure that cheaper fares could be secured without causing havoc to Qantas’ finances, in October 1978 the Australian government came up with the protectionist International Civil Aviation Policy (ICAP), which would “limit foreign airlines’ capacity on the Australia-Europe route, and guarantee high ‘load factors’ (that is, proportion of seats filled on flights) for the entire flight between European and Australian ports by discouraging (through a high-cost surcharge ‘stopovers’ by

passengers en route” (Frost 48). While the policy’s official long-term objective was to phase out ASEAN airlines from this profitable route for the benefit of Qantas and the European airlines (Narine 30), SIA would in effect be the only airline to lose out substantially over Australia’s decision as the carrier “had achieved the highest passenger and freight load factors of any international airline [and] had gained as much as 30 per cent of the traffic on the [Australia-Europe route] by 1978” (Frost 49). Indeed, the Australians had hoped that SIA “could be isolated effectively through the initiation of favourable bilateral negotiations with other ASEAN members” (Frost 49). For Britain, the implementation of Australia’s ICAP meant that SIA’s Kangaroo Route services would be severely curtailed, potentially allowing BA to increase its own services, load factors and profits without having to involve the British government in messy intergovernmental discussions to attain them. This in turn would allow London to “hold up hopes of some modest increase in MAS capacity to London” during negotiations on the Air Services Agreement without having to worry about losses in revenue for BA, especially as Australia intended “Malaysia to be one of the first mid-point countries which they approach” for discussions on a potential increase in MAS services at the expense of SIA (TNA, FCO 76/1798, 24 Oct 1978). This turn of events allowed the British to be more open and explicit about London’s new-found room for manoeuvre to the Malaysians. In early November, British diplomats informed Malaysian officials that Britain was “not only prepared for a fundamental review of air services agreements but also [was] disposed to be sympathetic If Concorde were flying this would not only greatly improve the atmosphere in talks on traffic rights but would also improve Malaysia’s public image in the UK” (TNA, FCO 76/1798, 2 Nov 1978).

But a more significant breakthrough for the British came in the form of technological innovation. The reason that BA had so desperately wanted supersonic

overflights over the Straits of Malacca was due to Concorde's ability to 'supercruise': that is, being able to fly supersonically without using afterburners which allowed Concorde to be actually more efficient than subsonic jets when flying certain sections of its routes. Therefore, "any significant length of subsonic flight on the Concorde route from Bahrain to Singapore [rendered the whole service] commercially unattractive" since extra fuel would need to be carried and as a consequence result in limited passenger payload (TNA, FCO 76/1798, 17 Nov 1978). However, technical modifications to the Concorde that had materialised during the final few months of 1978 meant that, from the first half of 1979, "even if the aircraft has to fly at subsonic speed ... over both Malaysian and Indonesian territory and territorial waters, there will be no significant payload penalty for most of the year and that even in the worst month ... a payload of 62 passengers can be carried [which] BA think [would be] the most they could hope to get" (TNA, FCO 76/1798, 3 Nov 1978). As such, the Malaysian restriction was now "not likely to seriously damage the commercial prospects of the service at least in the short term," and while it would somewhat overshadow the cachet of flying on the supersonic aircraft, BA's management could live with subsonic flights over the Straits to which the Malaysians could not oppose under IASTA (TNA, FCO 76/1798, 17 Nov 1978). This now meant that the ball was firmly and unequivocally in the British court. While the situation could hardly be regarded as perfect - the inability to strike a deal with the Malaysians increased the "risks of repercussions from other countries" over whose territorial waters Concorde flew - Britain was now in a position to demand subsonic Concorde overflights as was its right under international agreements if Malaysia continued to refuse permission for supersonic service, and then to withhold any favourable terms that London may have granted Kuala Lumpur during the Air Services Agreement negotiations (TNA, FCO 76/1798, 17 Nov 1978).

Having now lost all the cards that they could play, all that was left for the Malaysians to do was to acquiesce to Concorde's supersonic overflight if they wanted to attain any sort of beneficial deal during the Air Services Agreement talks. In a meeting with the British Ambassador in early November 1978, Prime Minister Hussein acknowledged the unwinnable situation that Malaysia found itself in by declaring that he "felt uncomfortable about the unfairness of not allowing Concorde a trial period" of supersonic flight over Malaysian waters and that he "could probably deal with the question of public opinion" (TNA, FCO 76/1798, 6 Nov 1978). In response, the British Ambassador drove Britain's overwhelming advantage over Malaysia home by replying that it "seemed possible to contemplate some general sympathetic statement about traffic rights problems at a mutually agreeable time after Concorde was flying" but not before (TNA, FCO 76/1798, 6 Nov 1978). This in effect sealed the deal. At the end of November, the Malaysian Prime Minister informed the British Ambassador in the strictest confidence that approval would be given for Concorde to proceed with supersonic overflights for a six-month trial (TNA, FCO 76/1798, 28 Nov 1978), a decision which was made official by the Malaysian Cabinet in mid-December (TNA, FCO 76/1798, 12 Dec 1978) on the formal pretext that the government had studied the environmental issue of Concorde "closely" and had reached the conclusion that a six-month trial period would be acceptable (TNA, FCO 76/1798, 15 Dec 1978). As expected, Indonesia immediately followed suit with their own approval for Concorde (TNA, FCO 76/1798, 18 Dec 1978). Finally, a year after the first Concorde service to Singapore had begun, the British were finally able to secure supersonic overflight permission over the Straits of Malacca and to resume service on 24 January 1979.

V. Conclusion

At the end of it all, the resumed Concorde service to Singapore lasted less than two years; BA terminated the route in November 1980 citing low demand for the service which was said to have inflicted losses of 7 million pounds a year (Hall xv). But the service was terminated on purely economic grounds, with the decision being made solely by the British without being pressured into doing so by outside influences.

The conventional assumption concerning this diplomatic tussle over Concorde between Britain and Malaysia has been that it was Kuala Lumpur that had the insuperable upper hand, and had graciously allowed supersonic overflights only after the desperate British had managed to convince the Malaysians that Concorde presented no serious environmental problems, and had perhaps offered something in return that could be construed as a diplomatic triumph for Malaysia (cf. TNA, FCO 76/1798, 20 Dec 1978). But the declassified papers have revealed that it was ironically the British that managed to gain the upper hand during this intense struggle for Concorde without giving anything away to the other side. By gathering sufficient evidence to demonstrate that Concorde was not an environmental hazard, warning the Malaysians that they had more to lose in terms of British investments, getting the Malaysians to think that a successful Air Services Agreement renegotiation would be politically more important to them than the Concorde issue was to Britain, being 'helped on' by third-party countries such as Australia and its ICAP, and coming up with technological innovations which provided an acceptable fallback option all contributed to Britain getting its way with Malaysia and leaving Kuala Lumpur with no real choice but to allow supersonic overflights to proceed.

As can be observed in this Anglo-Malaysian tussle over Concorde overflights in the late 1970s as well as in the current Korean-Japanese dispute over wartime

compensation claims, appealing to the other side's sense of fairness and harping on about what is 'right and just' are strategies that by themselves prove seldom effective in resolving international disputes. This is particularly the case when the parties involved retain heavy historical baggage that cannot but cast a long shadow over various aspects of bilateral relations. As this diplomatic incident with Concorde has demonstrated, the crucial key to reaching a conclusion in one's favour is possessing the ability to develop alternative options not only to avert the necessity of giving in to the other side's demands, but also to inflict upon the potential interests of that other side damage more severe than that which one's own interest would have to bear should one be forced to give in. Gathering irrefutable evidence, increasing potential investment capacity, securing outside support and achieving technological development all served to allow Britain to gain the upper hand against a very difficult and intransigent adversary with whom it has a complicated and controversial past. It is a lesson that is just as relevant today as it was then, a lesson that policy-makers would do well to take note.

Works Cited

- Beevor, Lucy. *The Invention of the Airplane*. Capstone Press, 2018.
- Blackall, Thomas. *Concorde: The Story, the Facts and the Figures*. G.T. Foulis, 1969.
- Campanella, Edoardo. "A Diminished Nation in Search of an Empire." *Foreign Policy*, 24 Oct 2019.
<https://foreignpolicy.com/2019/10/24/boris-johnson-dreams-anglosphere-europe-an-union-empire-colonialism/>.
- Cheah, Boon Kheng. *Malaysia: The Making of a Nation*. Institute of Southeast Asian Studies, 2002.
- Chin, Kin Wah and Leo Suryadinata. *Michael Leifer: Selected Works on Southeast Asia*. Institute of Southeast Asian Studies, 2005.
- Chittum, Samme. *Last Days of the Concorde: The Crash of Flight 4590 and the End of Supersonic Passenger Travel*. Smithsonian Books, 2018.
- Cholle, Francis. *The Intuitive Compass: Why the Best Decisions Balance Reason and Instinct*. Jossey-Bass, 2012.
- Dhillon, Karminder. *Malaysian Foreign Policy in the Mahathir Era, 1981-2003: Dilemmas of Development*. National U of Singapore P, 2009.
- Frost, Frank. *Engaging the Neighbours: Australia and ASEAN since 1974*. Australian National UP, 2016.
- Glancey, Jonathan. *Concorde: The Rise and Fall of the Supersonic Airliner*. Atlantic Books, 2015.
- Hall, Peter. *Great Planning Disasters*. U of California P, 1980.
- Harvey, David. *A Brief History of Neoliberalism*. Oxford UP, 2005.
- Higham, Robin. *Speedbird: The Complete History of BOAC*. I. B. Tauris, 2013.

- Kim, Sarah. "New Forced Labor Solution is Worked on." *Korea Joongang Daily*, 8 Jan 2020.
<https://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3072399>.
- _____. "Daegu Court can Proceed to Sell off Japanese Assets." *Korea Joongang Daily*, 4 Aug 2020.
<https://koreajoongangdaily.joins.com/2020/08/04/national/diplomacy/Japan-forced-labor-Foreign-Ministry/20200804191500378.html>.
- Lankester, Tim. *The Politics and Economics of Britain's Foreign Aid: The Pergau Dam Affair*. Routledge, 2013.
- Liow, Joseph. *The Politics of Indonesia-Malaysia Relations: One Kin, Two Nations*. RoutledgeCurzon, 2005.
- Milne, Robert and Diane Mauzy. *Malaysian Politics Under Mahathir*. Routledge, 1999.
- Mutsvairo, Bruce and Cleophas Muneri. *Journalism, Democracy, and Human Rights in Zimbabwe*. Lexington Books, 2020.
- Narine, Shaun. *Explaining ASEAN: Regionalism in Southeast Asia*. Lynn Rienner Publishers, 2002.
- The National Archives (TNA). FCO 76/1796. *Concorde: South East Asia route*.
_____. FCO 76/1797. *Concorde: South East Asia route*.
_____. FCO 76/1798. *Concorde: South East Asia route*.
- Orlebar, Christopher. *Concorde*. Osprey, 2017.
- Park, Han-na. "Court Pushes for Sale of Japanese Firm's Assets to Compensate Wartime Labor Victims." *The Korea Herald*, 4 Jun 2020.
http://news.koreaherald.com/view.php?ud=20200604000763&md=20200607003105_BL.
- Park, Seung-heon. "Korean Atomic Bomb Victims Bring Compensation Lawsuit

- against Government.” *Hankyoreh*, 8 Aug 2013.
http://www.hani.co.kr/arti/english_edition/e_international/598832.html.
- Ruhanas, Harun. “Issues and Challenges in Contemporary Malaysia-Europe Relations.” *Routledge Handbook of Contemporary Malaysia*, edited by Meredith Weiss, Routledge, 2015, pp 428-38.
- Song, Sang-ho. “History’s Shadow Eclipses Korea-Japan Trust-building.” *The Korea Herald*, 21 Jun 2015.
http://news.koreaherald.com/view.php?ud=20150621000367&md=20170812034645_BL.
- Wasserstein, Bernard. *Barbarism and Civilization: A History of Europe in Our Time*. Oxford UP, 2007.
- White, Michael. “Mugabe quits Commonwealth.” *The Guardian*, 8 Dec 2003.
<https://www.theguardian.com/world/2003/dec/08/zimbabwe.politics>.
- Williams, Paul. *British Foreign Policy Under New Labour, 1997-2005*. Palgrave Macmillan, 2005.
- Witkin, Richard. “Port Authority’s Ban on Tests of Concorde is Voided by U.S. Judge.” *The New York Times*, 12 May 1977.
<https://www.nytimes.com/1977/05/12/archives/port-authoritys-ban-on-tests-of-concorde-is-voided-by-us-judge.html>.
- _____. “Repeat Passengers (One Has Flown 63 Times) Encourage Concorde’s Operators Despite Current Losses.” *The New York Times*, 10 Jun 1978.
<https://www.nytimes.com/1978/06/10/archives/new-jersey-pages-repeat-passengers-one-has-flown-63-times-encourage.html>.
- Won, Tae Joon. “To Swear or Not to Swear?: Britain, Southeast Asia and the Attempt to Reform the Judicial Committee of the Privy Council, 1964-1971.” *The Journal of Imperial and Commonwealth History*, Vol. 48, No. 4,

August 2000, pp. 0-92.

국문초록

영국, 말레이시아와 콩코드기의 딜레마, 1977-1979

원 태 준

단독 / 포항공과대

1977년 12월에 말레이시아 정부는 자국 영해상의 초음속 비행을 허락할 수 없다며 영국항공 소속 콩코드기의 런던-싱가포르 노선 운항을 중단시켰다. 허락 불가의 공식 사유는 소음공해이었으나, 말레이시아 정부는 콩코드 운항 재개의 조건으로 말레이시아항공의 콰라룸푸르-런던 노선 운항 편수 증가를 내걸었다. 이에 영국은 즉시 콩코드기의 런던-싱가포르 노선을 폐지한 후에 항공협정 재논의를 하겠다고 맞섬으로써 영국이 말레이시아에게 추가 운항 편수를 내어줄 인센티브가 전혀 없음을 시사하였다. 또한 영국은 말레이시아가 콩코드의 초음속 운항을 허락하지 않을 경우 영국의 대말레이시아 투자가 위축될 수 있음을 경고하였다. 이에 덧붙여 호주가 자국의 국제민간항공정책을 발표함으로써 영국 정부가 영국항공에 피해를 주지 않으면서 말레이시아항공에게 추가 운항 편수를 허용해 줄 수 있는 여지가 생겼고, 항공기술의 발전으로 인해 콩코드가 아음속으로 말레이시아 영해상을 비행해도 유상하중에 있어 큰 타격을 받지 않을 수 있게 되었다. 말레이시아는 결국 추가 운항 편수를 확보하기 위해 영국의 눈치를 보게 되는 상황이 되었고, 이로 인해 초음속 비행을 허용하게 되면서 1979년 1월에 콩코드기의 런던-싱가포르 노선 운항이 재개될 수 있었다.

주제어: 영국, 말레이시아, 싱가포르, 콩코드기, 항공협정

논문접수일: 2020.08.31

심사완료일: 2020.10.18

게재 확정일: 2020.10.26

이름: 원태준

소속: 포항공과대학교 인문사회학부 대우조교수

주소: 경상북도 포항시 남구 청암로 77 포항공과대학교 무은재기념관 401호

이메일: tjw78@postech.ac.kr