

# The Conservative Party And Wales\*

## THE HISTORIANS

Kenneth O. Morgan in his *Modern Wales*, writing about Welsh political biography, observed that he would have nothing at all to say about Welsh *Tory* biography - “for the very good reason that there is no such thing. Since the 1868 general election, Toryism or Conservatism has played only a marginal part, at best, in Welsh political consciousness, and as a result I am unable to think of any single biography which focuses on a Welsh Conservative. The literary tradition over the decades has just followed the election returns”.

It is not in fact true that the literary tradition, or indeed the interest of historians, has just followed the election returns. A great deal has been written about the supporters of Welsh Nationalism, despite the lack of support that they have received over much of the period from the electors of Wales. It is not to their credit that some of our most distinguished historians completely ignore the role of Conservative Governments and the substantial contributions that they have made to improving the condition of the Welsh people and the preservation of the Welsh language and Welsh culture, and that a number distort the record on the basis of their political prejudices. One of the most comprehensive accounts fails to name a single Conservative Secretary of State, Welsh Office junior minister or backbench Member of Parliament.

Even John Davies in his impressive *History of Wales*, published in 1990, starts his post 1979 history with the inaccurate observation: “The consequences of the votes of March and May 1979 rapidly became apparent. On the morrow of the referendum it was announced that two thousand jobs would disappear in the Welsh steel industry”. Later in this lecture I shall show that there was no connection whatsoever between those events, and that Dr Davies was also wrong to assert that the policy change on Welsh language broadcasting was due to the Home Secretary’s belief that Welsh Nationalism was ‘in a paralysis of helplessness’. Such falsities tend to become accepted as facts. David Melding, a Conservative Member of the National Assembly, in his essay *Have we been anti Welsh?*, accepts the Davies proposition as plausible, and adds the completely unfounded assertion that, “an immediate consequence of the referendum result was that the leverage of the Welsh office in Whitehall became much weaker”. John Davies ignores the enormous contribution of Conservative Governments to the survival of the Welsh language. He also has little to say about

the part that they have played in the transformation of the Welsh economy to one based on modern and developing industries rather than those in decline, and to the removal of the dereliction that those industries left behind. Other lesser historians' similar errors might be ignored. John Davies has to be challenged on such matters simply because on so many aspects of Welsh history he has written lucidly and with great distinction.

### **THE 19<sup>TH</sup> CENTURY AND LIBERAL DOMINANCE**

Despite Kenneth Morgan's observation that since the 1868 general election, Toryism has played only a marginal part, I propose to begin my account with that election which followed Derby and Disraeli's 1867 Parliamentary Reform Act. Disraeli had dreamed of "re-establishing Toryism on a national foundation", primarily by undermining the Liberal preponderance in the boroughs, but was forced into compromise. The creation of large and more democratic constituencies like Merthyr Tydfil was to have profound consequences later; and in Wales the act immediately prompted a Liberal upsurge, while weakening the influence of rural landlords. 23 Liberals were elected and ten Conservatives (compared with 18 Liberals and 14 Conservatives in 1865). By 1880 the Liberal dominance of Wales, which was to last for 40 years, was firmly established. They won 29 of the 33 seats, which they increased to 30 out of 34 in 1885.

After 1885, with a parliamentary majority exactly equal to the number of Irish Nationalists, Gladstone was dependent on Welsh Liberals. When, in 1886, his Home Rule Bill was defeated, and Conservatives and Liberal Unionists dominated at Westminster, 27 of the 191 Gladstonian Liberals who were returned represented Welsh seats; and Welsh parliamentarians became far more assertive. As Kenneth Morgan has pointed out, "...the spirit and tone of the nation's politics were vastly different after 1886. There were new men, new issues, new currents of protest and challenge surging through Welsh society as a whole".

### **EDUCATION: 1888 to 1992**

I only intend to touch on two subjects that arose during those years of the Liberal dominance of Welsh politics: education (where I will carry the story forward to the recent past), and the connected issue of the Disestablishment of the Anglican Church in Wales. In 1887 and again in 1888 both Liberal and Conservative members tried to legislate for intermediate education without success. It was the Conservative Local Government Act of 1888, which created County Councils, that opened a way forward.

With the support of Conservative members, a Bill introduced by the Liberal MP, Stuart Rendel, eventually became law as the Welsh Intermediate Education Act of 1889. This established a secondary school system on the back of State aid. It was a bi-partisan measure, and it could not have been passed without the support of the Conservative Government. Dramatic progress in extending and improving secondary education was now made. The new County Councils and County Borough Councils responded with enthusiasm, and new schools were rapidly established right across Wales. By the mid-1880s, the Charity Commissioners felt that the organisation of secondary education in Wales was such a success that it pointed the way forward for England.

Although the new democratic system of local government introduced by the Conservatives had been the essential precursor for the new system of secondary education, the proposal that local authorities should also be used to reform elementary education started a storm in Wales. The existing arrangements had come into being as a consequence of the Liberal Education Act of 1870. A national network of elementary schools had been created, some funded by the rates and managed by School Boards, while others were provided by the National Society of the Anglican Church and by Roman Catholics. By 1888 everyone was unhappy with the system. The National Schools received no help from the rates, and their resources could not compete with those of the Board Schools, while Nonconformists were even more bitter because where schools of the National Society existed, and there were sufficient places, Board Schools were not set up. The result was that young chapel-goers were obliged to submit to Anglican teaching and the catechism of the Church of England. An attempt in 1886 to solve the problem, by the Coalition of Conservatives and Liberal Unionists, failed. The Coalition was not strong enough to resist the defence mounted by Liberals, proud of their school boards, and the vigorous force of nonconformity in Welsh politics.

By 1895 the situation had changed. Although both Anglicans and Nonconformists had their grievances, the Anglicans were more urgent in pressing theirs. The Liberals had placed Disestablishment in their programme for the 1895 election, with the consequence that many Anglican clergy had actively supported Unionists. After the Conservative and Unionist victory, the Anglican clergy pressed their case for educational reform, encouraged by the report of a Royal Commission, appointed by the previous government, which had recommended a systematic re-organisation of the whole system of education. Within four months of the election, a delegation of

Anglican clergy, headed by the Archbishop of Canterbury, demanded relief from the heavy burden imposed on them by the competition of the Board schools. Bills introduced in the Commons in 1896 and 1899 were unsuccessful; but in 1902 Balfour, with single minded determination, drove through a Bill which made each County Council and County Borough the supreme education authority within its area, and also required that they set up education committees. These committees, along with other responsibilities, had the job of providing grants to schools. The School Boards were abolished, together with the distinction between the schools maintained out of the rates and the voluntary schools belonging to the various denominations and maintained by them. Anglicans and Catholics secured for their schools their share of the rates.

Nonconformists saw the measure as an attack on themselves. They had hoped that impoverished Church schools would rapidly disappear, and now they were to be supported by the rates. The school boards had been their strongholds, and they bitterly resented the role of Anglican clergy in schools attended by their children. In Wales a revolt broke out and, led by Lloyd George, the rebels refused to pay the education rate, and the Welsh Counties refused to co-operate. A bitter struggle developed between the Board of Education and Welsh local authorities, while the Government introduced a Bill to try to force the local authorities to co-operate. The local authorities were saved by the fall of the Government and the Liberal triumph in the 1906 General Election.

With victory won, Lloyd George turned his attention to other matters, and the issue rapidly became less significant as the number of non-denominational schools grew rapidly. The financial difficulties of the Church schools had only been alleviated, and over a period a large number were transferred to local authorities, and by 1913 there were twice as many state provided schools in Wales as non-provided schools. The Welsh Party also ceased to be so influential now that there was a huge Liberal majority at Westminster. One consequence was that legislation on Disestablishment was delayed until 1910 when it soon got caught up in the House of Lords' unwise resistance to the budget. Despite the furore at the time, the two education bills that I have discussed, the first bipartisan, dealing with secondary education, and the second a Conservative measure, placing education in the care of local government, were to have enduring and beneficial consequences. They established the foundations on which education provision was to rest until the Butler Education Act of 1944. For the first time secondary education received proper financial support, and was co-ordinated with the rest of the national system. The educational committees of

the County Councils were able to devise broader schemes of policy for elementary education than the old School Boards that had often administered areas that were too small. A ladder had been erected by which able students of all classes could aspire to a university education; and the legislation made possible the success of the new colleges which were to spring up in the decades that followed.

Balfour's hugely beneficial act did the Conservative Party great harm in Wales, because its opponents sought with some success to create the impression that the party was in some way anti-Welsh (an impression reinforced by the arguments about Disestablishment). As A.J.P. Taylor has observed, Balfour was "an all-or-nothing man". The 1902 Education Act could "bring no party advantage - indeed much the reverse. Balfour did not count the cost, once he had recognised the need to get sectarianism out of education. He drove through one of the most ruthless and successful reforms of the century". Successful though it proved to be, it did not in fact drive sectarianism out of education entirely. Three Liberal Presidents of the Board of Education also failed to settle that question, and it fell to R.A. Butler to tackle the issue more than four decades later.

We have to move forward to 1941 when Butler took over responsibility for education while Britain was fighting for survival. By that time the church schools, by then much reduced in number, were old and out of date. Educational progress was not possible unless the problem of the church schools could be solved. After prolonged and patient negotiation, Butler settled the issue by offering alternatives: a church school could choose either to be "controlled" and managed and financed by the local education authority, with religious education in accordance with an agreed syllabus; or "aided", in which case the managers had to pay half the cost of any alterations and improvements required to bring the school up to the standard required (but with salaries and running costs paid by the local authority) and with the managers appointing the teachers and controlling the religious education.

With the religious issue settled, Butler was able to introduce his Education Act of 1944 which did away with the old elementary schools, established the right to free secondary education for all, immediately up to 15 and thereafter up to 16; and pointed the way to the comprehensive idea. Butler, supported by Labour's Chuter Ede, and, taking full advantage of the opportunity provided by the war-time coalition, thus completed the work of the 1902 act and laid the foundations on which the post-war education system was built. Sections 8 and 76 of the act established Welsh-

medium schools, and enabled tremendous progress to be made later in the provision of Welsh-medium education. Speaking in a House of Commons debate on 26 January 1948, Butler said, “ I took a particular initiative in Circular 182 upon the subject of the extension of teaching of the Welsh Language. I took a personal interest in that matter, because I had been sorry to see my own native Cornish tongue destroyed and forgotten during the last hundred years. I was deeply impressed with the work done by Mr A.L. Rowse on this subject, and I was determined to see that the Welsh language did not disappear from our midst”.

In Wales Conservatives have also made other very different and distinctive contributions to education. As early as 1953 the Government had issued circular 15 urging full bilingualism in Welsh schools and introduced the first grants for Welsh books. Then, when I was Secretary of State and Wyn Roberts was the Welsh Office Minister dealing with education, we used the Section 21 grant giving powers of the Conservative 1980 Education Act to assist local education authorities and other organisations to support projects for the development of Welsh medium education. Later, in 1987, Wyn Roberts was to fight hard and successfully to ensure that the Welsh language was part of the curriculum established under the Education Act that was to become law in 1988. As Wyn observed in a previous Welsh Political Archive Lecture (1995), he “had safeguarded the position of the Welsh language in schools and Welsh history too”. Welsh secured a statutory place in the education system in Wales, a place amplified and enhanced by the Further and Higher Education Act of 1992. The Parents Charter, issued under The Citizens Charter Initiative of July 1992, led indirectly to the establishment of an independent inspectorate of schools and the publication of comparative information on schools. John Redwood gave extra financial support to the most popular schools in Wales so that parents could get their school of first choice, and was active in encouraging the use of computers in schools.

As I do not intend to return to the subject of education, I will record at this point that in 1987 the Conservative government of which I was a member had to step in to save University College, Cardiff from the consequences of the financial crisis into which it had plunged as a result of serious mismanagement. A Price Waterhouse report projected an accumulated deficit of between £8 million and £11.5 million by the middle of 1990. Ministers were told that there were two options. The first was to leave the college to stagger into insolvency, sell assets and pay off staff. A minute from one of my officials pointed out that, “The effect would be the loss of Wales’s only university establishment of any real weight. The closure would occur in an inevitably

messy and acrimonious way with the certainty of disruption to the academic careers of the 4,000 or so students currently part way through their courses at the College. .... We do not see such an outcome as politically acceptable either for the students or for the University of Wales”.

The minute might well have added that it was unlikely to be politically acceptable for ministers about to face a general election. In my book *Westminster, Wales and Water* (University of Wales Press, 1995), I have told the full story of how Kenneth Baker, John MacGregor and I put together a rescue package, and how I persuaded the Prime Minister to give it her consent. The merger with the University of Wales Institute of Science and Technology (UWIST) followed, to form the University of Wales College of Cardiff, later to be called University of Wales, Cardiff. After leaving the Welsh Office, I had the honour of serving as President of the College during its highly successful first ten years.

## **DISESTABLISHMENT OF THE ANGLICAN CHURCH**

I now return to the period before the First World War where I began the story. If the question of religious education was to linger on as an issue in Wales until the 1940s and to continue to harm the Conservative Party for even longer, the connected issue of Disestablishment, although for all practical purposes resolved in 1920, had a similar effect. I am tempted, for family reasons, to spend more time than I have available on a wide re-examination of the subject: my great-great uncle, the Bishop of St Asaph, led the parliamentary fight against it, while his nephew, my grandfather, the Rev. W.A. Edwards, while Rector of Llandow, campaigned in favour of it. A politically active social and religious reformer, he appeared on Liberal and Labour platforms during the 1906 General Election. I will resist the temptation and suggest that it deserves a separate Political Archive Lecture in itself. Instead I will concentrate solely on its party political aspects. W.J. Gruffydd described it “as a splendid example of the time lag of history”, and was dismayed by the energy expended and the denominational bitterness fostered in order to win what was portrayed as a national victory, energy which could have been better directed to activity based upon a shared consciousness of the national heritage. With its origins in the undoubted shortcomings of the Church in the 18<sup>th</sup> and early part of the 19<sup>th</sup> century, the grievances of the Nonconformist majority, and events in Ireland, the parliamentary conflict came to a head when the failings of the established Church had been largely rectified, the burden of tithes substantially alleviated by legislation in 1891, and all but a handful of the disabilities of which Nonconformists complained had been

redressed. Men like Dean Edwards of Bangor, another great-great uncle of mine, had been active in restoring the Welsh language to a full and appropriate place in the work of the Church; there had been a great surge of church building; and the Church's National Society had made a very great contribution to Welsh education. All the Welsh bishops were Welsh speaking. Though now greatly outnumbered by Nonconformists, the Anglican Church was still the largest denomination, and the church records show that the charge still repeated even by Conservative historians that in large parts of Wales the only communicants were the squire and the rector was wildly inaccurate.

Faced with the Liberal intention not only to disestablish, but also to disendow, the Welsh Church, it is hardly surprising that it felt itself under siege, and was propelled into an alliance with the Conservative and Unionist Party. Many leading Unionist politicians were prominent laymen in their own right and some, like Lord Hugh Cecil, Lord Selborne and the young F.E. Smith, were moved to indignation (and sometimes overblown rhetoric) by what they saw as a first move to disestablish and steal the property of the Anglican church throughout the United Kingdom and not just in Wales. Alfred George Edwards, Bishop of St Asaph, who led the parliamentary fight, sought the support of the Conservative Party in the defence of the church. As with education, the party was, as a consequence, made to appear un-Welsh and anti-Welsh. David Melding describes the Conservatives as "obdurate and mistaken on Disestablishment"; and does not seem to appreciate that there were good reasons for the party's efforts to defend Welsh churchmen and the property of a church deeply rooted in the life and culture of Wales. It was not just the consciousness of the national heritage that was shared, but the heritage itself.

What is true is that the political effects lingered on long after the issue had ceased to rouse passions. The Disestablishment Act was passed by means of the Parliament Act with the Great War already underway, but its implementation was postponed until the conflict was concluded. The Bishop of St Asaph then negotiated with Lloyd George a financial settlement vastly more favourable to the Church, and, under his leadership as the first Archbishop, the Church in Wales gathered new strength. Over the same period the numbers worshipping in the nonconformist chapels of Wales declined rapidly as a consequence of the effects of the war, changing social attitudes, and the collapse of the industries that had created and sustained the Valley communities.

## **THE INTER-WAR YEARS**

The collapse of those industries, and the devastating impact that it had, is the next topic that I will address. The Conservative and Labour Parties failed to find an adequate response to the depression and its cruel consequences particularly in the South Wales Valleys. A discredited Lloyd George and a soon to be discredited Oswald Mosley proposed radical solutions based on Keynesian principles, but the financial route to economic recovery adopted by government after 1931 was based on economy, tariffs, cheap money, rationalisation of industry, control of prices and output, subsidies and agricultural marketing boards. Though then and later it was criticised as inadequate, it was a significant move away from an unplanned self-adjusting economic system. Neville Chamberlain, the Chancellor of the Exchequer in the National Government, thought that he was making changes of a revolutionary character. There was another aspect of Chamberlain's policy that appeared particularly harsh to those suffering in the Welsh valleys, and that was the Means Test introduced in 1931 at levels that initially were too low. It was to have a long-term political consequence as one of the reasons, along with the memory of unemployment, for the Labour victory in 1945.

The accusation, frequently made, that Churchill's decision to return to the Gold Standard in 1925 was a major cause of the collapse in competitiveness is exaggerated. Its effects were marginal and temporary. It was one, but by no means the most important factor. The failure to operate in an adequate and effective way what we would now call Regional Policies is another charge, but the Special Areas Act, 1934 (which led to the creation of the Treforest Trading Estate in 1936), showed awareness and concern, and marked the birth of a policy of attracting new industries to the areas suffering most severely from unemployment; it laid the foundation of a great deal of later regional policy. My experience of seeking to attract inward investment in far more benign economic circumstances, with the magnetic attraction of the EU market and adequate infrastructure, leads me to conclude that, even if much more had been done, the results would have been pretty small. It took the demands of a war economy to produce results after 1939. As A.J.P. Taylor has pointed out, it had taken sixty years or more in the first Industrial Revolution before the surplus agricultural population moved into the industrial towns. A new industrial revolution could not happen in a single decade. The new industries increased less rapidly than the old industries, and the export trade on which they had depended declined.

In the broadest sense, the economic policy adopted was not a failure; Britain emerged from the depression faster than many of her industrial competitors. Although some have argued that this owed more to the determination of ordinary people to spend than to the actions of the Treasury, C.L. Mowat, writing in the 1950s, observed that, "The National Government's financial policies made the best of both worlds; they seemed sufficiently deflationary to restore confidence; but they were in fact sufficiently inflationary to assist recovery by maintaining the purchasing power of the people". While official spending was tightly controlled, the British people spent their own money on housing and the new industries, such as electronics and plastics, with the result that in 1933, when unemployment peaked, recovery began. By 1937 production and employment were at all time highs. As early as 1935 Chamberlain could claim (MacDonald was still Prime Minister until June of that year in the Conservative dominated National Government) that, "Broadly speaking we may say that we have recovered in this country 80 per cent of our prosperity".

Cardiff and to some extent North East Wales benefited from that recovery, but it was little help for those in the Welsh Valleys except for the large numbers, particularly of the younger generation, who left to work where the new industries prospered in the Midlands and the South East. Judging correctly that the boom years would never return to the coal mining communities, the government encouraged such emigration, which thus reversed the extraordinary growth of those communities that had occurred between 1870 and 1914. That more could have been done to ease the plight of the unemployed; and that we would later pay a price for the fact that the opportunity was missed to build roads (and perhaps a Severn Crossing) and undertake slum clearance, seems obvious with the benefit of hindsight. However, the impact of such measures would probably have been only marginal at the time.

Fate had decreed that Wales relied to an extraordinary and excessive degree on coal (and to a lesser extent on iron). In 1913 and again in 1923 South Wales produced well over 50 million tons of coal, and 70 per cent of it was exported. By 1932 production was down to 35 million tons, and it was to fall to 20 million tons by 1945. By the 1930s the Welsh industry (partly because of geological factors), even by British standards, had the lowest productivity, highest production costs and smallest proportion of coal cut by machine. It simply could not compete with the American, German and other overseas industries. Oil rapidly replaced coal as the fuel for many industries including electricity production and shipping. Wales had produced much of the steam coal for the rest of the world. In 1913, 90 per cent of shipping was coal

fired. By 1930 the proportion had more than halved. At the same time the steel industry was moving out of the uplands of South Wales to places like Port Talbot and East Moors, although the Government played an important role in the decision of Richard Thomas and Baldwin to build a major new strip mill at Ebbw Vale in 1935-38.

In the rural areas low prices for food during most of the inter-war period tended to depress farm incomes and agricultural labourers' wages. At the same time increasing mechanisation led to a 'drift from the land'. There was a sharp fall in the rural population between 1921 and 1939, and in Anglesey, historically an arable county, the percentage of the workless was the highest for any county in Wales.

### WARTIME COALITION AND THE POLITICS OF CONCENSUS

The war takes us into a new political age. While memories of unemployment and the Means Test were factors that helped to produce the 1945 landslide, at least as important was the obvious, effective and patriotic contribution of Labour Ministers to the wartime coalition. The war had produced a new consensus among members of Churchill's administration about the kind of world that people wanted and the social measures that would be needed. Butler's Education Act is one example; the Beveridge Report and its reception another. The public response was so enthusiastic that there was some disappointment that it did not lead to immediate legislation; but there were good reasons for postponing decisions on it until after the war. The Report was warmly welcomed by many Conservatives, particularly by the newly formed Tory Reform Committee which included a number of politicians who would play a prominent role in the post war world (Hogg, Hinchinbrooke and Peter Thorneycroft among them).

In 1943 Churchill delivered his longest broadcast of the war in which he suggested "a four year plan" which would cover five or six large measures. He told his listeners that they must rank him and his colleagues as strong partisans of national compulsory insurance for all classes and for all purposes "from the cradle to the grave"; and "the country must establish on broad and solid foundations a national health service". "The schooling of the great mass of our scholars" had to be "progressively prolonged". In 1944 the Conservative Minister of Health, Henry Willink, prepared a White Paper which proposed a free and comprehensive health service on principles not that far removed from those eventually adopted by Aneurin Bevan. Bevan deserves the credit for untying the tangle of different interests in which Willink quickly found himself caught up when negotiations with the doctors got under way.

The Labour Party are entitled to boast of their achievement; but there can be little doubt that if the Conservatives had won in 1945, a National Health Service would have been launched on the foundations established by the wartime coalition.

In 1944 another White Paper accepted most of Beveridge's proposals on social insurance and also launched the system of family allowances. All these measures born out of the partnership of war were to be important for Wales; but there was one last achievement of Churchill's coalition government that was to be particularly helpful for the areas blighted by the decline of the old industries. The 1945 Distribution of Industry Act, introduced by the Labour government following recommendations contained in the 1940 Barlow Report and the 1944 White Paper on *Employment Policy*, has been described by John Davies in *A History of Wales* as "an important milestone in the development of regional policy". The direction of manufacturing plants into Wales and the construction of wartime armament factories, now to be adapted for peacetime purposes, combined with the wartime demand for coal and steel had produced full employment even in the valleys that had been most afflicted in the thirties. It was a remarkable transformation.

In Opposition before 1951, the Conservative Party prepared for its return to office. Enoch Powell on behalf of the party produced the first comprehensive statement of Welsh policy made by a major political party. Like Chamberlain before him, and as Geoffrey Howe and Tom Hooson were to recognise not very much later, emigration from the industrial valleys would have to be one element of industrial policy as the old industries declined. In 1949 the Party's publication, in a bilingual format, *The Conservative Policy for Wales and Monmouthshire*, while emphasising that Wales and England formed a single economic unit, acknowledged that the people of Wales had kept alive "the consciousness that they are a separate and distinct nation", and emphasised that it was the policy of Conservatives to foster diversity and to be in sympathy with individuality that in Wales "expresses itself in the religious and cultural life and the habits of thought and action of the people". Speaking in Cardiff during the 1951 election campaign, Anthony Eden said, "Wales is a nation. She has her own way of life and her own language. She has preserved and nourished over the centuries her own valuable and distinctive culture. She has her own special needs and conditions and these must be fully recognised and met". In his message to the electors of Wales, Winston Churchill promised that, "We shall be very mindful of the national aspirations and special problems of Wales".

Meanwhile, in London R.A. Butler and the Industrial Committee of future Conservative cabinet ministers had produced *The Industrial Charter* as a statement of Conservative economic policy. It has been described as a decisive moment in Conservative post-war history with its commitment to a mixed economy and its rejection of unregulated capitalism. It reaffirmed the commitment to full employment enshrined in the 1944 White Paper. The policy document, *The Right Road for Britain*, which appeared in 1949 was stronger in tone, but still maintained the wartime consensus that slowly evolved first in one direction and then another as Labour and Conservative administrations followed each other. In 1954 Churchill was able to say “party differences are now in practise mainly those of emphasis”. The battles that were to unfold over steel nationalisation, seen in this context, had something of the character of ritual exchanges. *The Right Road for Britain*, and Conservative policy on returning to government, none-the-less emphasised that the acknowledged social priorities were dependent on economic success; and that in turn required individuality, freedom and private enterprise. One benefit of the broad sense of agreement on social priorities was that the Labour Party was not tempted to move violently to the left; the disadvantage was that what later was called ‘the ratchet effect’ tended to move the policy further and further in a direction favoured by the Labour Party rather than by Conservatives.

### **1951: THE CONSERVATIVES RETURN TO GOVERNMENT**

However, that was for the future. The Conservative Party came back to office in 1951 pledged to preserve the welfare state that had been developed by the wartime coalition. They kept their promise. As early as December 1952, Harold Macmillan had fulfilled the pledge to build 300,000 houses a year. In Wales 13,500 houses were completed each year between 1951 and 1964, 63,000 of them council houses. Between 1951 and 1971, 220,000 of the houses in Wales were also improved and hot water, baths and lavatories installed. Spending on the NHS was not reduced, and only minimal charges were added in 1956 to those already introduced by the Attlee government. In 1954 Ian Macleod announced an ambitious programme of hospital building. At the same time wartime controls were shed, starting with identity cards and followed by the end of food rationing and a more general liberation of the consumer.

Later it became the practice to call this the era of Stop-Go, but in fact the economy never stopped growing. It did so at its slowest in 1958 when it was 0.4 per cent, but in every other year growth was at least 1.3 per cent, and between 1959 and 1964 it

averaged 3.8 per cent. Between 1959 and 1964 investment in manufacturing industry rose by 29 per cent and unemployment averaged only 1.8 per cent (although in the 1957 recession unemployment in Wales rose to 4.7 per cent.) John Davies records that, "The Welsh were more prosperous in the 1950s and 1960s than they had ever been before". The years after 1958 covered "a second wave of vigorous state intervention in the Welsh economy". Between 1951 and 1958, regional policy was low on the Conservative agenda, partly because unemployment was at a historically low rate, and partly because the housing programme and the development of industries in the new towns, which conflicted with regional policy, rated higher in the government's priorities. However, regional policy played an important part in the revival of employment policies after the 1958 crisis, when unemployment rose to levels then regarded as unacceptable. New legislation was introduced, first enlarging the areas previously eligible for assistance, and subsequently replacing Development Areas with smaller and more flexible Development Districts; while in 1959, the new President of the Board of Trade, Reginald Maudling, introduced a more interventionist policy on the location of manufacturing plants.

### **POLICIES FOR WALES: A BOW GROUP CONTRIBUTION**

It was in September 1959, while these changes in the policy approach were taking place, that Geoffrey Howe and Tom Hooson (who was later to be the Conservative MP for Brecon and Radnor until his untimely death in 1985) produced a remarkable Bow Group pamphlet, *Work for Wales: Gwaith i Gymru*. This was not a slim and superficial policy statement of the kind often produced by political parties, but an astonishingly comprehensive history and analysis of the Welsh economy and social conditions, produced with the aid of a strong research team. In the introduction the authors declared, "Since the war, no political party has published a thorough analysis of the economic problems of Wales. *Work for Wales* has attempted this task". Based on the analysis, the authors pronounced that:

The distinctive Tory contribution to Welsh politics should be to oppose the subsidy mentality and to work for a virile, flexible and thoroughly competitive Welsh economy. We should, therefore, oppose subsidies which are other than transitional for inefficient farms, marginal coal mines and declining industries. We welcome, on the other hand, the Government's willingness to incur short-term expenditure intended to eliminate a long-term problem.

The pamphlet offered a Ten Year Plan containing, among wider economic proposals, detailed ideas for local government reform, for training and for transport. It urged an acceleration of the road building programme, which already by then included schemes for important sections of what was to become the M4, the Severn Bridge,

the Ross Spur link to the Midlands via the M5, and the road from Raglan to join the Heads of the Valleys route; as well as the first projects on the principal road across north Wales, the A55. The pamphlet's proposals fell on willing ears; these were the kind of policies that Macmillan had long advocated, and many of them were to be begun or fully implemented before the Conservatives went out of office.

Reading it many years later, I am struck by the similarity of the ideas that it advocated to those that I advanced in one of my first speeches that I made as a Conservative Front Bench Spokesman on Wales in February 1976 to the Welsh Society at Birmingham University in which I pledged that the Conservative Party would "fight to uphold the Welsh language, Welsh culture and the Welsh way of life". Later in that speech I spoke of the importance of the private sector and small businesses and said:

There are some who believe that what is wanted are Agencies and Plans and Subsidies. I don't believe it. The job of Government is to provide the infrastructure, the rules and the communications that are essential to economic life, and the conditions in which private business can thrive. I am not dismissing the contribution that Government can make in assisting firms to establish themselves. I certainly believe there is a place for Regional Policy, but the essential factor is a climate in which companies can make profits and retain them, a climate in which individuals have the stimulus to work and the reward for doing so, a climate in which business is not weighed down and crushed by a vast administrative burden placed upon it by the Government.

## **THE FOUNDATIONS FOR A WELSH OFFICE ARE LAID**

In the fifties and sixties much was done to create the foundations for a modern economy on which I and other Conservative ministers were to build in the eighties and nineties; and very significant steps were taken to create new structures of government in Wales. In 1951 Churchill created the Office of Minister for Welsh Affairs as an adjunct to the Office of the Home Secretary. Unfortunately, and understandably, the appointment of a Scotsman, Sir David Maxwell Fyfe, as Home Secretary and Minister for Welsh Affairs did not go down well in Wales; and even the appointment of David Llewellyn, the Conservative MP for Cardiff North, as Parliamentary Under Secretary with particular responsibility for Welsh affairs, was not felt to be an adequate response to the outburst of criticism (not least from among Welsh Conservatives) engendered by the original decision. In 1957 Macmillan transferred the responsibility to the Department of Housing and Local Government where Henry Brooke, just promoted to the Cabinet, was the new minister. Henry Brooke had spent a year after university working with a Quaker charity helping the unemployed in the Rhondda Valleys; and he married a Welsh woman who made a notable contribution to public affairs and later took the title Baroness Brooke of

Ystradfellte in the House of Lords. These links were not enough to satisfy an increasing number of Welsh Conservatives who wanted a full-blown Welsh Office. Macmillan decided not to go the whole way, but appointed the chairman of the Conservative Party in Wales, D.V.P. Lewis as Minister of State; and he was sent to the Lords as Lord Brecon to enable him to fulfil that role. Viv Brecon, with a background in business and local government, was particularly energetic in seeking to bring new business and jobs to Wales, and in 1958 he played a key role in setting up the Development Corporation for Wales, which was initially chaired by Sir Miles Thomas. Twenty-five years later the Corporation, then chaired by Sir Idwal Pugh, a distinguished former civil servant and Permanent Secretary at the Welsh Office, was still doing good work. The Minister for Welsh Affairs or his Minister of State presided over the Conference of Heads of Government Departments in Wales, which co-ordinated the Government's approach to policy making for Wales. A Rural Wales Committee had been created in 1956; and in 1957 Macmillan announced the establishment of an Economic Committee, and a small office was set up in Cardiff in 1963 to supervise the economy. The year 1958 saw the appointment of the first Traffic Commissioner for Wales, and the Local Government Commission. Annual Reports on Wales and Monmouthshire were published. The rudiments of a Welsh Office were taking shape, while in Parliament the Welsh Grand Committee was established in 1960.

During this period the Conservative Party in Wales pressed strongly and repeatedly for the appointment of a Welsh Secretary of State and the creation of a full government department with responsibility for Welsh affairs. Among those who pressed the case were a number of formidable figures who each made an immense contribution to Welsh public life: Sir Godfrey Llewellyn (to whom I was later to pay warm tribute in an address at his memorial service in Cardiff), Brigadier E. O. Scaife, Colonel of The Royal Welch Fusiliers when I served in the regiment, and Sir Charles Hallinan among them. The refusal to accept similar proposals put forward by the independent advisory body, the Council for Wales and Monmouthshire, had already led to the resignation of its chairman, Alderman Huw T. Edwards, in 1957. Macmillan had responded on that occasion with a letter to the Council in which he wrote:

I am in full agreement with the Council that, where opportunity offers for improving the system of administration thereby, devolution should be carried further. This is a continuing process. It has gone a long way already, if comparison be made with the situation not many years ago. But we have not reached finality.... The Government's cardinal purpose is to put beyond all doubt that Wales as a nation has a place of its own in the counsels of Britain, as well as to frame a system of Government

administration for Wales that can be developed to meet every modern need that may emerge.

It cannot be denied that, though the Conservative government took the whole process a long way forward and clearly saw these important developments as evolutionary, it missed a crucial trick, because in 1959 Labour gave a pledge that they would appoint a Secretary of State (a pledge that they fulfilled in 1964). Furthermore, unpopular actions, such as the flooding of Tryweryn to provide water for Liverpool, were remembered more than even these significant administrative changes. In a speech in the House of Commons in 1959, the Welsh speaking MP for Conwy, Peter Thomas, who was to be the first Conservative Welsh Secretary, said that he was happy to hear the Home Secretary say that the changes that they were then discussing did not represent finality, and went on to say that he was sure “that ultimately we shall have a Minister for Wales with executive authority over a Welsh Department”. Peter Thomas had firmly established his credentials as a supporter of the language by promoting a Private Member’s Bill that enabled local authorities to contribute to the National Eisteddfod. It is apparent that, having gone a long way and promised to go even farther, the Conservative Party allowed Labour to steal its clothes, and paid a substantial price as a consequence.

Outside government itself there were other new initiatives. Cardiff was recognised as the Capital of Wales in 1955. The Broadcasting Council for Wales was set up in 1952, and even more momentous, following the 1962 Pilkington Report, BBC Wales was established and given the task of presenting twelve hours broadcasting a week of Welsh television programmes (half in the Welsh language), and the independent companies, principally TWW and, after 1968, its successor franchise holder HTV, were obliged to broadcast 5½ hours in the Welsh language a week. In 1963 the Government decided to establish a committee to consider the legal status of the Welsh language. The report was published in 1965, with a Labour government again in power, and recommended that Welsh and English should have equal validity at law. The 1967 Welsh Language Act established equal validity, but provided that “in the case of any discrepancy between the English and Welsh text, the English text shall prevail”. This became a cause of endless complaint until the Conservative Welsh Language Act of 1993.

Legislation had been passed by the Liberal Government in 1881 banning the sale of alcohol in public houses and retail outlets in Wales on a Sunday. By the 1960s

Sunday Closing was an irritation to many, and it was widely evaded by membership of clubs or by crossing the border. The Conservative 1964 Licensing Act introduced a system of referendums to be held in a seven yearly cycle, county by county, giving a choice as to whether the ban should be lifted. By the early 1990s it was clear that in every county the majority was firmly in favour of Sunday opening and the restrictive legislation was finally lifted.

## **THE HEATH GOVERNMENT AND FIRST CONSERVATIVE SECRETARY OF STATE FOR WALES**

When the Conservatives returned to power in 1970, with Peter Thomas and David Gibson-Watt as Ministers in the Welsh Office, one important task that they undertook was the major reform of local government, suggested so many years before by Howe and Hooson and the replacement of the old Welsh counties with much larger administrative units. It has to be acknowledged that reform was long overdue, and what was now done was less radical than the Redcliffe-Maud report (published in 1969) had recommended, but it was not a universally popular step: the newly elected Conservative MP for Pembrokeshire, Nicholas Edwards, put up a vigorous fight to save Pembrokeshire! A two-tier system of counties and districts replaced the confusing medley of authorities that had existed before. Governments that tackle the organisation of local government do so at their peril. The new counties, with ancient Welsh names, Clwyd, Dyfed, etc, were seen as bureaucratic and remote; and only two decades later another Conservative Government would reverse much of what was done and be criticised just as much for its efforts. The number of Conservatives elected in 1970 in Wales increased from three to seven, but that did not prevent ministers being given a pretty rough time by George Thomas and the Labour opposition. Further substantial responsibilities were transferred to the Welsh Office, among them primary and secondary education, industry and employment. In 1971 Peter Thomas also established the Water Development Authority for Wales.

This is not the occasion to attempt a detailed history of the momentous and difficult events that occurred during the Heath administration, which included entry into the EEC; the suspension of Stormont; the introduction of new laws on industrial relations; two miners' strikes; a Housing Finance Act that Dick Crossman described as "more socialist than he would have dared to attempt"; and, in addition to local government reform, a major reform of the organisation of the Health Service. In England the NHS reorganisation replaced the old tripartite division between hospital, GP and local authority services with an integrated structure of District Management Teams, Health

Authorities, Regional Health Authorities and the Secretary of State, responsible for overall planning and resource allocation. There were too many tiers and administrative staff numbers rose sharply. However, in Wales the top tier of regions was omitted and the new Health Authorities answered directly to the Secretary of State. This is an early example of the Welsh Office responding to the particular needs of Wales with a different solution to that adopted in England, and provides evidence that the frequently advanced charge that Welsh Office Ministers and officials were mere rubber stamps for policy decisions taken in England is far from the truth.

The year 1972 was traumatic for the Heath Government with a miners' strike in January, an eruption of violence in Northern Ireland, tough battles over EEC legislation and unemployment reaching one million for the first time. The last event was to have hugely significant consequences. For men like Heath, Whitelaw, Carrington and Carr, the need to maintain full employment overrode all other domestic issues: they detested what it had meant in the thirties and feared the possible political and social consequences. They were also seeking to persuade the TUC to accept The Industrial Relations Act; and Heath believed that rapid growth of the economy to meet the challenge of European competition was an essential policy objective. The initial "quiet revolution" policies of lower taxes, lower spending and reliance on markets were jettisoned in favour of a dash for growth. Economic policy was now being run by the First Lord of the Treasury rather than by the Chancellor; and Heath also believed in regional policies. A White Paper was followed by the 1972 Industry Act as part of a programme to cut unemployment and achieve rapid growth. All this was particularly important for Wales, which found itself the beneficiary of a plethora of new Regional Policy instruments: Free Depreciation, Special Development Areas, Development Areas, Intermediate Areas, Derelict Land Clearance Areas, and Selective Assistance for individual companies. It was followed by massive investment in the coal and steel industries about which I will have more to say. Tony Benn described all this as "the spadework for Socialism"; but unemployment fell dramatically, below 600,000 by mid-1973 and below 500,000 by the end of the year. Unfortunately (but predictably) inflation soared with equal rapidity, and before long there was a Statutory Incomes Policy and Wage Freeze. It is conceivable (but unlikely) that the dash for growth might have worked, but events in the Middle East and the oil shock that followed then wrecked the Heath Government.

All this represented a pretty tough initiation for a Member of Parliament elected in 1970. Wyn Roberts in his memoirs comments, "Pembrokeshire was known as 'Little England beyond Wales' and Nick fitted it perfectly". Like others, he overlooks the fact that a good half of the Pembrokeshire constituency was as much Welsh speaking as his own in Conwy, and that some of my strongest support came from the Welsh speaking north. That was one factor that was to influence my own attitude to the Welsh language. Others, who also did not understand Pembrokeshire, thought that I would not be its member for long, but I held my seat in the two elections of 1974; and then learned how to be an effective critic of the Labour Government that added higher education (but not university education) to the responsibilities of the Welsh Office; retained the Regional Policy instruments that I have described; and added to them the Welsh Development Agency, the Development Board for Rural Wales and the Land Authority. Despite its share of the vote falling from 27.7 per cent in 1970 to 23.9 per cent in the second 1974 election held in October, the Conservative Party actually increased its tally of Welsh seats from seven to eight. I was first appointed an Opposition Front Bench Spokesman by Ted Heath; and, when Margaret Thatcher became leader of the Conservative Party, she immediately asked me to join the Shadow Cabinet and take responsibility for Welsh affairs. Quite early on I made the wise decision to persuade the Shadow Cabinet to recognise the Farmers' Union of Wales, the membership of which was largely Welsh speaking. Up to that point all formal negotiation between Welsh farmers and the government (of whatever party) had been with the NFU. The FUW had shown that they were both responsible and capable, while the NFU in Wales had become rather complaisant, and were not as well organised as they should have been. There was a double benefit: the FUW were pleased, and the NFU shook themselves from their stupor and restructured their Welsh organisation. We had also acted before the Labour Party.

In my new role it fell to me, working with Wyn Roberts, to consider our response to the Government's devolution legislation and to prepare the manifesto on which we fought the 1979 election. I served on the Party Committee that, first under the Chairmanship of Francis Pym and then under that of Willie Whitelaw, produced our devolution strategy and took the key decisions on the handling of the Government's Devolution Bills. The story of that battle has been more than adequately covered and need not be repeated here; but there can be no doubt that we judged the mood of the Welsh electorate correctly. Only 11.8 per cent of the electorate voted for devolution in the Referendum held in 1979, and it was rejected in every Welsh county. In the election that followed the Conservative Party increased its share of the vote to 32.2

per cent and won eleven seats, its best performance since 1874 which rather gives the lie to the suggestion that it was still regarded as anti-Welsh, or that many electors went to the polls thinking of Disestablishment or Tryweryn.

## **THATCHER AND AFTER**

### **1979: WELSH LANGUAGE BROADCASTING**

The promise that I had given in my earlier Birmingham speech to defend the Welsh language and culture were repeated in the Welsh Manifesto, which I wrote, and which also contained the words, "We are anxious to see Welsh broadcasting starting on the fourth channel as quickly as possible". Immediately after the general election, and speaking at the Wales Area Conservative Conference on 23 June 1979, I set out our intentions with regard to the channel in more detail; but added that it was likely that there would be protests from large numbers of English and Welsh speakers - who would then be unable to get their favourite fourth channel programmes in Wales. What happened next had absolutely nothing to do with Home Office Ministers believing that Welsh Nationalism was in "a paralysis of helplessness", as John Davies alleges; I am sure that the thought never even crossed their minds.

What actually happened was that Home Office officials began to work out how a manifesto commitment could be translated into legislative form and be made to work. One of the problems of preparing election manifestos in opposition is that commitments are made without the challenge of officials or the detailed consultation with interested parties that can take place in government. As soon as the Home Office started working up the proposals, its officials were faced by Lady Plowden and the IBA on the one hand, and the BBC on the other, with a number of strong practical objections, and by questions about the way the service was to be financed, estimated by the IBA as requiring about £20 million pounds of government funding a year. Lady Plowden brought her IBA team to see me at Gwydyr House to discuss their concerns. These objections combined with the difficulty to which I had referred in my June speech, anxieties about the commercial viability of the new fourth channel, and fears that the language would not be assisted if isolated in a separate service (the ghetto argument) all provided ample grounds for Mrs Littler and other Home Office officials to recommend an alternative solution.

I have described in my book *Westminster, Wales and Water* how, despite my own immediate reaction that this meant trouble, I was partly disarmed by the fact that among the Welsh speakers in the Welsh Office there was anxiety about isolating

Welsh broadcasts and some sympathy for the case advanced by the Home Office. I have always believed that if this affair had happened even six months later, I would not have allowed myself to be persuaded; but I was only a few weeks into my first experience of ministerial office and it would have taken both resolve and skill for a new Welsh Secretary to challenge with success the judgement of the Home Secretary and his powerful department. In fairness to Willie Whitelaw, I need to correct one error in Wyn Roberts's account of what happened. He asserts that, "Welsh Office ministers were not consulted about the proposal to abandon our policy". Lord Whitelaw, as he was to become, was not the kind of man who would behave with such discourtesy or political insensitivity; and the fact is that he came to my office to explain what he was thinking of doing. That visit was followed by a meeting in Gwydyr House where I discussed the proposition with my Welsh Office colleagues, my Permanent Secretary, and my principal Welsh speaking advisors and where, for the reasons that I have already indicated, we decided not to make a fight of it. There is no need to re-tell the rest of the story; except perhaps to remind you that there was never any intention to avoid providing the Welsh people with Welsh language television programmes; the argument was about the method of delivery and not about the quantity or quality of Welsh language broadcasting. As I repeatedly had to remind people in the months that followed, they were being offered exactly the same number of hours of broadcasting in the Welsh language, with a Welsh Language Television Committee under an independent chairman to ensure that they were provided with the opportunity to choose between good-quality English programmes and good-quality Welsh programmes at peak viewing times and with proper scheduling. When we finally reversed our decision and set up S4C, the new company was generously resourced to ensure that it could successfully deliver Welsh language programmes of a very high standard; and since its creation in 1982, it has made a huge contribution to Welsh culture and the survival of the Welsh language. By 2004 the annual income received from Government had risen from the 1979 estimate of £20 million per year to £85.7 million.

### **CONSERVATIVE SUPPORT FOR THE WELSH LANGUAGE**

The Welsh manifesto of the Conservative Party in 1979 contained the commitment that we should "continue to give active Government support to the maintenance of the Welsh language as a living tongue". One of my first actions as Secretary of State was to ask Wyn Roberts to undertake a widespread consultation in Wales about realistic and practical ways in which government might lend support to the language. The results of that consultation and details of the decisions that we had taken after

we had considered them were presented in a speech that I delivered to representatives of the Gwynedd County Council near Llanrwst on 15 April 1980. The speech, published as a pamphlet, became the firm foundation on which our subsequent actions were based and a statement of commitment which both provided reassurance and cooled passions. It was the first time that any government had set out in comprehensive terms its policy for the language. Twenty five years later, when the results could be fairly judged, Dafydd Elis-Thomas said, "As a statement of public policy, this was a historical moment, because this was the clearest statement of intent thus far that the Welsh and English languages should be treated equally and that the Welsh language should be promoted, and that an increase in the number of Welsh speakers was a policy objective".

I was not content with the words alone and I won a "new line" for Welsh language expenditure from the Treasury. I gave vigorous support to the voluntary bodies working for the Welsh language, making use of powers provided by section 26 of the Development of Rural Wales Act. The results could be seen in the many books published by the Welsh Books Council, the rapid growth of Mudiad Ysgolion Meithrin (the Welsh nursery-school movement), the successes of Urdd Gobaith Cymru (the Welsh League of Youth), and a series of financially strong national eisteddfodau. I was amused and pleased when after the 2004 National Eisteddfod, a senior figure involved in its organisation complained during a broadcast that the support given by the National Assembly had been inadequate, and that they had been much more generously treated by Nicholas Edwards when he was Secretary of State.

I have already described how we provided additional finance to help meet the costs of Welsh language education in accordance with powers taken in the Education Act that had just become law; and the subsequent measures taken in the field of education to support the language. I took a particular interest in the remarkable language school at Nant Gwytheyrn on the Lleyn Peninsula in North Wales (now the National Language Centre) for which I was able to provide financial support at a critical moment in its development. I also succeeded in defusing the rather absurd row about whether Welsh or English came top or bottom on road signs. It was a row that had bruised my Conservative predecessor, Peter Thomas; and John Morris, his Labour successor, had left it unresolved. We consulted road safety experts and concluded that there was no reason to think that putting Welsh first would be significantly dangerous. I decided that the sensible course of action was to meet local wishes and to respond to local conditions, and I announced that Welsh County

Councils could decide for themselves which language should have precedence in their county.

The Council for the Welsh Language which had been set up by the Conservative Government in 1973 had recommended the establishment of a body to look after the interests of the language. At the time of the Llanrwst speech, and because we were both so closely involved and heavily committed to the policy, Wyn and I rejected that proposition. I explained in the speech, "The Government is faced with the choice of delegating responsibility or taking it directly upon itself. It is an indication of our seriousness of purpose that we are taking direct responsibility and consulting so widely about the exercise of that responsibility". By 1987, after I had left the Welsh Office, Wyn felt that such important matters could not be left indefinitely to depend on personalities. Peter Walker then set up an advisory group, which Wyn chaired, to examine the issue of fresh legislation and other aspects of safeguarding and promoting the language. The demand for a new act grew apace and Peter Walker replaced the advisory group with a non-statutory board in July 1988, chaired by John Elfed Jones. Among the tasks that it was given was to examine issues related to proposals for legislation. It reported to the Secretary of State, now David Hunt, in February 1991.

In his Welsh Political Archive Lecture, Wyn Roberts explains that he was looking for "a creative and exciting piece of legislation which would get us away from the threadbare arguments of the past and open up new prospects for the future". It was a notable achievement to get the Welsh Language Act through Parliament and onto the Statute Book, with a subtle solution to an old problem of drafting, the statement that the two languages "should be treated on a basis of equality". It was also a shrewd move to appoint Dafydd Elis-Thomas as Chairman of the Welsh Language Board where he provided moderate and wise leadership. Nick Ainger, the present Labour Under Secretary for Wales told the Commons last May that, "The Welsh Language Act 1993 has had a huge impact on the use of the Welsh language".

The Act was the culmination of many decades of active policy support by Conservative governments for the language. No other Party has made so substantial a contribution to saving the Welsh language as a living tongue.

## THE ECONOMY: STEEL

Turning to the theme of economic change, I start with the industries that had been central to the Welsh economy for so long - steel and coal. Again I am provoked by the misleading and often inaccurate picture painted by many Welsh historians. One writes, "The run-down of primary industries proceeded apace in the wake of the Conservative victory in 1979. The Steel Works at Ebbw Vale, Cardiff and Shotton closed". No, the closures of Ebbw Vale and Cardiff took place before the 1979 election and Shotton, long foreseen, within weeks of our taking office. Indeed the inevitable closure of Ebbw Vale was the talk of the day at the opening of Llanwern in 1966! Another historian, while acknowledging that "the new crisis was clearly in prospect from the mid-1970s", then writes about rapid industrial decline and Port Talbot and Llanwern contracting to "what appeared near extinction", a description that I shall show completely misrepresents what actually happened. A third historian, giving (perfectly correctly) the decrease in the numbers employed in the industry between 1980 and 1982, again refers to steel-making coming to an end at Shotton, Ebbw Vale and Cardiff as if that was the result of Conservative policies, when the reality was that the new government had to deal with the aftermath of decisions taken during the period of a Labour administration.

This phase of the steel story really began in 1972, when the Conservative Party was in Government and Ted Heath was Prime Minister. The British Steel Corporation then produced a Ten Year Plan based on very optimistic market assumptions, which was backed by Peter Walker, the Industry Secretary. It has been described in G.F. Dudley and J.J. Richardson's comprehensive study *Politics and Steel in Britain, 1967-1988* as "a bold, radical, even heroic policy, with admitted high risks". An enormous investment programme was to be concentrated on the UK's five main coastal works (which included Llanwern and Port Talbot), with extensive closures of old plants and annual reviews and detailed appraisal of projects. Rationalisation was expected to mean that there would be 180,000 jobs by 1980 compared with 232,000 in 1972. Implementation was delayed, initially by demand constraints, and then by the arrival of the new Labour Government in 1974. The general slump in UK and world demand, which came in 1975, heralded a ten year crisis for BSC and for the other European Steel makers. At that time Japanese production rates were 750 tonnes per man and BSC's 150 tonnes per man. Losses rose to £8 million a week. The new Labour Government, alarmed at the prospect of having to close plants in their heartland constituencies, initiated the Beswick Review, which in Wales deferred decisions on Shotton, and on the planned East Moors and Ebbw Vale closures. By

1977 it was recognised that there would have to be a momentous sea change in policy, so that the 1978 White Paper greatly reduced investment and largely reversed most of the Beswick review decisions on delayed closures. The result was that they happened just before the government of which I was a member took office.

East Moors closed in May 1978 with the loss of 2,820 jobs, Ebbw Vale in October of the same year (1,520 jobs), and BSC was still losing £1 million a week. Sir Charles Villiers, the chairman, told the TUC steel committee on 12 July 1979 (only two months after the election) that BSC intended to close iron and steel making at Corby and Shotton.

As Dudley and Richardson point out, “the BSC policy course was largely set under a Labour government in 1977”. By 1979, BSC had “basically abandoned its plans for major capital development projects, and indeed was closing down steel works at an unprecedented rate”. At the time of the election Sir Charles Villiers was rashly forecasting breakeven by 1980, and Sir Keith Joseph announced that operating losses would not be financed after March 1980, but that the government would write off a slice of BSC’s huge debt.

Against that background of falling markets, closures, and job losses, a major strike in the industry lasting thirteen weeks in early 1980 came as no great surprise. The outcome was an end to any idea that the government could avoid the further financing of operating losses, and instead it found that it had no choice but to offer BSC a blank cheque. Norman Tebbit, who was Minister of State at the Department of Industry, in his autobiography summed up the bleak situation that he had to deal with:

Both the recession and technical change were hitting the market for steel and British Steel was an over-manned, inefficient, high cost, poor-quality producer in a market where the customer was king. Somewhere inside BSC was a viable business with good managers, technologists, production and sales workers. Whether they could be extracted from the shambles that was BSC at the beginning of 1981 was still an open question. We were not alone in our problems. The European Commission and the Council of Ministers had declared a state of manifest crisis in steel production. The Corporation decided that manned capacity had to be reduced to 15 million tonnes. In Wales the immediate outcome was that Llanwern and Port Talbot were to lose 11,000 jobs and operate on a slim-line configuration with a reduced joint capacity of 2.75 million tonnes compared with the existing 5 million tonnes. The Board Statement announcing the plan made it clear that the cuts had to be radical if South Wales was to compete internationally and yet retain a base which allowed for

the possibility for future expansion. The operation was designed to tailor BSC's total strip mills output to the level of home trade and demand, after taking account of new capacity at Ravenscraig. In the event both the Welsh plants did better than was asked of them, turning themselves in a remarkably short time from being among the most inefficient steel plants in the world to among the most competitive. As one of the trades union leaders put it to me in 1981, "If a few years ago you had told us that we could produce 1.8 million tonnes of steel with 4,700 people, we would have rolled around laughing". By November 1981, Llanwern was producing over two million tons of steel with about 4,600 people, and week after week they were breaking previous production records. It was generally agreed that, by the late 1980s, BSC's productivity compared favourably with the best in Europe. That improvement in competitive efficiency combined with the investment on continuous casting and modernised rolling mills that was to follow (and also the adding of a zinc plating mill at Llanwern) meant that the writing was on the wall at Ravenscraig which, cut off from its markets, found itself increasingly less competitive. I have told the story of the tension that developed between the Scottish and Welsh plants, and between the interests of the Scottish and Welsh Secretaries during that period in *Westminster, Wales and Water* and will not repeat it here.

Partly as a result of the political battles that I fought on their behalf over that issue; also during the miners strike when the Triple Alliance collapsed; and in the arguments that were to develop with the European Commission, my personal relationship with the steel union leaders (particularly at Llanwern) grew close; and I particularly appreciated the warm letter of thanks that I received from one of them when I left the Welsh Office in 1987.

The chronic collapse in demand and resultant over-production within the EEC had led to the declaration of manifest crisis and to the Commission taking an increasingly active role, with power ceded by governments and national industries to the Commission. As a result of agreements reached in tough negotiations re-structuring began. The first so called 'Phoenix' company created Allied Steel and Wire which merged the rod and wire business of private-sector GKN and BSC.

The government's plans for the future of the industry, including its privatisation, all now had to be fitted into requirements laid down by the Commission and involved negotiation with the Commission. For example, it became clear that, if we were to maintain investment at Llanwern and Port Talbot, we would probably have to close

down steel making at the privately owned Alpha Steel Works near Newport (following the acquisition of the relevant plant), and in due course end steel making at Ravenscraig. All this was part of a wider reorganisation (the so called Phoenix II) which included the merger of some BSC assets with those of GKN (and the closure of Brymbo in north Wales). By the time I left the government in 1987, BSC, for the first time in a decade, was reporting profits (£178 million in 1986-7 and £410 million in 1987-88); and, very much encouraged by BSC, at the end of 1987 the government felt able to announce that the industry would be privatised as soon as possible.

Privatisation was achieved before the end of 1988. The battle to remain competitive was unending. A dozen years after those arguments about Phoenix II, Alpha and Ravenscraig, BSC announced a merger with the Dutch steelmakers Hoogovens. The Hoogovens giant Rotterdam works was as big as Port Talbot and Llanwern put together, and the merger immediately raised fears that one or other of the Welsh plants might not survive. The closure of Llanwern, for which I had fought so hard to prevent, did indeed take place early in the new Millennium with New Labour in power at Westminster and a Labour administration in charge of the Welsh Assembly. There was a remarkable lack of fuss made by those who would have created an immense row if the closure had occurred under a Conservative Government. It will be interesting to see if the historians who falsely blamed the closures at Ebbw Vale, East Moors and Shotton on the Thatcher Government will, when they next revise their books, somehow find a way to say that Llanwern was our fault as well!

### **THE ECONOMY: COAL**

Between 1960 and 1980, 150 collieries were closed in Wales and 70,000 miners lost their jobs. The numbers fell from 106,000 to just over 30,000. Forty of those closures in the south and a further four in the north took place during the Labour governments of 1964-70. In early 1979, just before the General Election that brought the Conservative Party back into power, the National Coal Board had called for the closure of ten more Welsh pits, including Maerdy, the last remaining Rhondda mine. It was to survive until after Scargill's disastrous strike, and on 5 March 1985, the Maerdy miners marched back to work with banners flying and bands playing. Within 18 months of the strike's end, Maerdy and eleven other mines in the South Wales coalfield had closed. By October 1986 there were only 16 pits left, employing 13,000 men, and by the end of the decade only seven, employing 4,000 men. Pit closures and the decline in the number employed in Welsh mines after 1947 occurred decade by decade under both Labour and Conservative governments. In the early 1980s,

when I discussed the future with officials, we guessed that the process might continue for another twenty years, and that at the end of that period there could be no more than five or six pits, mostly in the anthracite field. The end was to come much quicker. The strike accelerated the process; but, despite massive investment, even pits in the Midlands where conditions were most favourable proved unable to compete in world markets. If the Nottinghamshire pits could not survive, then there was no prospect of a future for almost any of the Welsh pits.

The history of the miners' strike has been very thoroughly covered elsewhere. In 1981 the government had been faced with a miners' strike for the first time and had backed down; closure of uneconomic pits was postponed. The government was certain the NUM would repeat the challenge; massive coal stocks were built up and other preparations made. Scargill was determined to bring down the government. He declared that extra-parliamentary action "was the only course open to the working class and the labour movement". His policy was that the union would not allow the closure of any pit at all except on grounds of safety or geological exhaustion. It was a demand that no government could agree to. However, he made two serious errors: he called the strike in the spring, and he called it without a national ballot, recognising that he was unlikely to get the 55 per cent majority that the Union's constitution required. The Nottinghamshire coalfield voted nearly four to one against, and in South Wales initially only ten of the twenty eight pits supported the strike; once out, however, the Welsh miners stood united to the very end.

In Wales, as events unfolded, there was little that I could do except to increase the efforts being made to attract new industries with new jobs, and to protect other industries, particularly steel, from the damaging consequences of the strike. Commentators have subsequently tended to suggest that the strike was of greater significance in terms of its consequences in Wales than I judge it to have been. Of course it was traumatic for those directly involved and the mining communities; and it was crucially significant in terms of political authority and the future of industrial relations in Britain; but the number employed in mining in Wales was by this time fewer than those working in agriculture, in the new industries, in the service sector, or as self employed (or as John Davies puts it "with more Welshmen working in banks than in pits"); even on the most optimistic assumptions within a very few years their contribution to the economy, strike or no strike, would have been marginal. My principal anxieties, therefore, were about the potential damage that might be inflicted on other industries, or upon the reputation of Wales as a suitable location for inward

investment; and about how we could assist the communities most affected. While the strike was still on, I paid a visit to Japan and was relieved to discover that potential investors recognised that in general industrial relations in Wales remained excellent.

### **INWARD INVESTMENT AND INDUSTRIAL REBIRTH**

The Conservative governments of the eighties and nineties were particularly successful in attracting inward investment; and my visits to the United States, Japan and Korea, were designed to attract interest from potential investors, and to open doors at the highest level to teams from the Welsh Office, the Welsh Development Agency and representatives of local government and industry. A visit to Finland was made to strengthen the already strong links that existed particularly with the Finnish paper industry, while Wyn Roberts visited Germany. I have described in *Westminster, Wales and Water* how we operated on these trips; and how we succeeded in getting the message over that Wales was a good place in which to do business. In my time as Secretary of State, and that of my immediate successors, we consistently attracted about one-fifth of all overseas investment in the UK, a remarkable achievement for a country with under six per cent of the total UK population. As much of this investment was located to take advantage of the European market, Wales gained a disproportionate share of the large-scale investment in those industries which provided the greatest market opportunities in the European Community. Even after changes in Development Area status in 1993 (by which time the Welsh unemployment rate was below that of the UK for the first time since 1924), Wales was still attracting a share of inward investment about twice that of our proportion of population. By the time of the 1997 election, well over £10 billion of inward investment had been attracted, and more than 400 overseas companies had investments in Wales, providing around a third of all manufacturing jobs.

Wyn Robert's first visit to Stuttgart led to the creation of a constructive partnership with the states of Baden Wurttemberg, and this was followed by another with Rhone Alpes. Businessmen, politicians and representatives from local government got to know each other, and in some cases this resulted in inward investment. Bosch is one example of a firm with substantial manufacturing capacity both in its own state and in Wales. Later similar links were established with Lombardy and Catalonia, and with Oita province in Japan and Ontario in Canada.

When I arrived at the Welsh Office, there was still a feeling of deep pessimism about the future of the Welsh economy, the product of the long years of industrial decline;

and, because the actions taken to cushion the consequences of that decline were state led and taxpayer financed, there had developed what I have described as a “begging bowl mentality”. The economic and social policies that I initiated developed through three distinct phases in my eight years in office. In phase one, the primary aims were to improve the image of Wales, challenge the self-defeating mood of pessimism, and provide new factories and an industrial infrastructure that would attract fresh investment from home and abroad. We carried out a far more extensive factory-building programme than anything attempted elsewhere in Britain, and were successful in filling those factories. This was a necessary measure at a time when, because of the historic record of the Welsh economy, the private sector was unprepared to do the same job. The English regions looked on with envy, and I had to be robust in insisting that the factory-building programme was of crucial importance, and in fighting for the resources needed to fund it. We used the Land Authority, created by Labour, to acquire the land needed for this development; but made it self-financing. It operated by rolling over its existing funds.

During the second phase, the emphasis was less on factory-building, and more on improving the banking, venture capital and professional market involvement in the Welsh economy, with the object of attracting and stimulating investment in new Welsh businesses. We also devoted much time and energy to improving the links between industry and the universities; and here we sought to learn from the American experience. Through a division of the WDA we provided information about technology; we encouraged the university colleges to develop industry centres, science parks, and company-university partnerships; and we worked to strengthen the relationship between industry, the universities and the venture capital market. In America this triangular partnership had been central to the success of places like Boston and the area round it, but such partnerships had been virtually non-existent in Wales.

The third phase, reinforcing the achievements of the first two, was to initiate a programme of major urban renewal, first in Cardiff and Swansea, but with increasing emphasis on the linked valley communities in south Wales. We also established three Enterprise Zones in Milford Haven, Swansea and Delyn, which provided some help in stimulating job creation in places where it was badly needed. By March 1987, I was able to say in a speech to the Welsh Enterprise Conference in Cwmbran:

Wales has arrived at one of those turning points of history which, even if not recognised at the time, later seemed to have changed the way in which we think and

live: we are now in a new era in which the Welsh economy is advancing and growing on a broad base consisting of the old industries modernized and brought up-to-date by modern technology, the new industries, and the services needed by twenty-first-century man.

My success with the second phase objectives was limited; but Peter Walker, with his City connections and drive and energy, was able to make considerable progress in raising the interest of investors; and it was a substantial coup to persuade Rothschilds to open a branch in Cardiff. His Financial Services Initiative, launched in 1988, with the WDA playing a leading role, was carried forward with a consortium of local authorities. The policies that I have been describing were carried on and developed by all my Conservative successors as Secretaries of State, although John Redwood's more austere approach to public spending led for a time to a change in the financial arrangements of the WDA. By the early nineties the agency had acquired surplus land and property, and Redwood forced it to realize its assets by selling them, and then reduced its grant from central government correspondingly. It was a policy not dissimilar to that I had pursued with the Land Authority for Wales years before, but perhaps influenced by some inexcusable failures of management probity and competence that had occurred within the Agency before his arrival in the Welsh Office, his cutbacks were almost certainly far too severe. He reduced central government spending on the WDA from £69.5 million to £25 million annually. When William Hague arrived at the Welsh Office (after John Redwood had resigned in order to challenge the Prime Minister for the leadership), he quickly restored the budget of the Agency.

The Conservative Secretaries of State for Wales did not simply use regional policy to attract inward investment. They also used it effectively to cushion the effect of industrial closures, and to create the conditions which would attract new business and in which it could thrive. The government made available very large resources to deal with such special crises as the closure of Shotton steelworks and the very large job losses in the South Wales steel industry. Margaret Thatcher gave her Welsh Office ministers full support in taking these steps to cushion the effects of industrial change. In Clwyd she not only backed the package of measures taken as a result of the Shotton closure; but personally intervened to see that appropriate action was taken when Courtaulds decided to close its textile factories in the county, which included making sure that the company would clear up its own dereliction and help with job creation schemes. The speed with which new industry came to Deeside and unemployment levels, for a time alarmingly high, fell to well below the national average was remarkable.

The government's derelict land programme, vigorously pursued by all Conservative Secretaries of State, was another feature of our approach. I enlarged on earlier efforts that had followed the Aberfan disaster in 1966, and under David Hunt in the early 1990s the WDA drove forward a huge programme of land reclamation. Between 1966 and 1997 well over 9,000 hectares of derelict land in Wales had been reclaimed: 3,000 hectares were reclaimed between 1988 and 1994. The agency required substantial financial support to achieve this. Its 1993-94 budget of over £170 million was twice as much as its budget had been in *real terms* in 1979. Among the projects well underway by that date was Western Europe's largest single land reclamation project, the clearance of 900 acres in East Merthyr to provide new land for industry, housing, and local amenities.

We also expanded the urban programme, and used urban development grants in ways that had not previously been tried. For example, in the face of considerable hostility and controversy, I used such a grant to help finance a major new hotel development in the centre of Cardiff by Holiday Inns of Canada (now the Marriot Hotel) which began a remarkable modernisation and enlargement of the hotel industry in Cardiff, transforming the city's capacity to host major conferences and international tourism. The construction of the hotel also stimulated a rush of new construction in the previously derelict area between the St David's Hall and the railway line. The Urban Programme became a key feature of the WDA's work of urban regeneration in towns right across Wales and of the Programme for the Valleys.

Unemployment fell sharply from the mid 1980s until April 1990. It then increased, reaching a peak in 1993. The priority of the Welsh Office under David Hunt's leadership during this period was to maintain the relative improvement that Wales had enjoyed during the 1980s, so that it would be well placed when the economic climate changed for the better. By the end of 1991 output in Wales was rising again; and in the financial year 1992-93, 200 inward investment projects brought the prospect of 16,000 new jobs. Combined with low inflation, unemployment fell steadily until the new Labour government inherited the benign economic conditions that Kenneth Clarke handed on to Gordon Brown at the Treasury.

## **THE VALLEYS INITIATIVE AND THE PROGRAMME FOR THE VALLEYS**

The Derelict Land Programme, the Urban Programme and our housing improvement policies had by the mid 1980s already done much to improve the conditions in which people lived in the South Wales valleys. Our roads programme, which vastly improved access, made it much easier to attract new firms and provide the much needed new jobs. Driving up the Cardiff to Merthyr dual-carriageway today, it is hard to imagine what the journey was like on the old road. The spur off the Merthyr road into the Cynon Valley; the new access road into the Rhondda; and the new route past Rogerstone and Risca were other major improvements that opened up the valleys. The valleys are also blessed with a comprehensive rail system, linking them to Cardiff. I encouraged British Rail to modernize the system and arranged financial support to be provided so that increasingly the lines that had carried coal to the docks carried commuters to jobs in factories and offices in the capital city. The visual appearance of the valleys was transformed. Block after block of housing, a great deal of it owner occupied, was re-roofed, re-windowed and modernized. Those long low lines of grey slate and the peeling woodwork were replaced in part by red-roofing tiles and glimmering paint.

This was progress, but it was not enough. The appearance of many of the urban centres was still run down and deeply depressing. If we were to have any real hope of improving the economic fortunes of this part of Wales, we had to do more to create the conditions which would attract successful businesses and entrepreneurs to come and work in these places. This meant that we had to try and restore the derelict town centres with their boarded-up clubs, chapels and shops. We needed to make them once again places to which people would want to come for shopping, leisure activities and sport.

It was with the object of beginning a self-fuelling process of renewal that I launched the Valleys Initiative in March 1986, which was designed to use existing housing and urban programmes to trigger a series of co-ordinated initiatives by the local authorities and private and voluntary organisations to improve the areas selected. Seven projects were then chosen to improve the town centres of Maesteg, Aberdare, Pontypool, Tonypany, Merthyr Tydfil, Ebbw Vale and Pontardawe. The £7 million pounds specifically allocated was modest enough, but each pound was designed to generate a multiplier from the private sector, and already we were planning to build on what we had begun. At the same time we had chosen Ebbw Vale as the site for the Garden Festival to be held in 1992, and had set aside the large sums of money needed to cover the reclamation costs and carry out the preparatory work. I

instructed my officials to start planning for an expanded second phase Valleys Initiative, and early in 1987 one of them came to see me to discuss their ideas. I told him that what they proposed was not adequate; and that in any case it would be wrong for me to announce a further programme only a few weeks before my retirement. My successor must be given the opportunity to develop his own scheme and carry it forward.

The 1987 General Election was a disappointment for the party in terms of seats. In 1983 it had benefited from re-distribution, which increased the number of Welsh seats from 36 to 38, and from the divisive impact of the Alliance vote. The Conservatives had 14 seats. This time the number fell to eight (Brecon and Radnor had been lost in 1985 in a by-election after Tom Hooson's death); but the total vote was only down by 1.5 per cent to around 30 per cent. Gwynfor Evans was pushed into third place in Carmarthen, despite the claims of his supporters that, almost single handed, he was responsible for saving Welsh language television. The electoral impact of high profile events can be exaggerated. Pembroke was retained by my successor with a good majority. Peter Walker succeeded me as Secretary of State. He was a hugely experienced and effective minister, and for the reasons that I explained in *Westminster, Wales and Water*, he was bound to have a free hand to pursue his own policies. Despite the criticisms made that he was from England, his appointment was entirely to the benefit of Wales.

Peter Walker's Programme for the Valleys, launched in 1988 with characteristic flare, was indeed on a much larger scale than my modest initial scheme. Its object was to focus the whole range of Welsh Office and WDA resources on building a stronger economy in the Valleys, repairing environmental damage and strengthening the fabric of valley life. Total public spending between 1988 and 1993 was over £770 million, supplemented by some £700 million of additional private sector investment, creating or safeguarding some 24,000 jobs, creating some 2.6 million square feet of new industrial floor space, clearing over 2,000 acres of derelict land, and improving over 7,000 homes. David Hunt later added a new element, when, in the year of the Garden Festival, he launched Valleys Live under the auspices of the South East Wales Arts Association in order to stimulate a very wide range of cultural and artistic activities in the valleys. On 1 March 1993, David Hunt announced a further five-year Programme for The Valleys, with an emphasis on job creation, training, the environment, health, and the quality and choice of housing. Taking over from him later in the year, John Redwood said that he was "determined that the new

Programme ... will maintain the momentum created by the Programme for the Valleys, and stimulate continued economic and social regeneration”.

## **RURAL WALES**

While the WDA was the principal driving force behind the rejuvenation of the more urban areas, the DBRW was the main engine in rural Wales. During the 1970s rural Wales suffered from an estimated depopulation of 25 per cent, with many younger people in particular abandoning the countryside. In the early 1990s the Welsh Office Rural Initiative was at the spearhead of public spending that reached £1 million per day in rural Wales. The principal objective of the Rural Initiative was to encourage greater diversification of the economy, thereby increasing the longer-term attractions of the region and reversing depopulation. Local authorities were invited to design detailed proposals to tender for parcels of money; and imagination and innovation were encouraged.

One disruptive conflict arose during John Redwood's time as Secretary of State which should have been avoided. John Redwood had a healthy contempt for un-elected bureaucracies and he believed that local decisions should be taken locally. Those sensible attitudes, combined with an understandable desire to seize an exceptional opportunity to attract an important industrial project to North Wales, and irritation that he should be blocked by European environmental rules, led him into conflict with the Countryside Council for Wales. Pressure from the Department of the Environment and the Foreign Office to call in for decision by the Welsh Office a planning application by Hamilton Oil to use the derelict Mostyn Docks in Clwyd, by then a site of Special Scientific Interest, meant that the inevitable delay would cause Hamilton Oil to go elsewhere. Frustrated and annoyed, Redwood decided to curb the activities of what he apparently saw as a prime example of the self serving, bureaucratic mind. According to his special adviser, Hywel Williams, he wished to reduce the Council's budget and transfer many of its responsibilities to democratically elected local authorities. Hywel Williams writes, “A powerful alliance of two otherwise opposed forces, men in tweeds and men in beards, worked to undermine him”. I suspect that Michael Griffith, the chairman of the Countryside Council, and his team were amused by the description, but it gives a false picture of one the ablest and least stuffy men in public life in Wales, whose knowledge of Wales and the Welsh countryside was so much greater than that of the Secretary of State who attempted to cut him down to size. The Council survived and continued to do good work in the countryside long after the Secretary of State had moved on.

## **HERITAGE AND THE ARTS**

David Hunt's determination that arts activities should be a component of programmes designed to encourage economic and social regeneration, which I referred to in the context of the Programme for the Valleys, was again part of a consistent approach followed during the Conservative years. I always believed that if you wanted to attract firms to an area, and retain them, along with the best management and an enthusiastic work force, it was necessary to provide sports facilities, theatres, concert halls and galleries. I also believed that it was the job of government to provide, via arts councils operating independently and at arm's length, funds to ensure that artists and arts organisations of high quality would be available to use those facilities. It also seemed obvious to me that if one cared for Welsh culture, it was necessary to protect the built and historic heritage.

Wyn Roberts and I set up an entirely new organisation, CADW, the Welsh equivalent of English Heritage. Thanks, not least to the good sense and leadership of that great scholar, the late Professor Glanmor Williams (Chairman of the Ancient Monuments Board and later of the Royal Commission on Ancient and Historical Monuments in Wales) and of Lord Anglesey (Chairman of the Historic Buildings Council for Wales) and the competence of its staff, CADW established for itself an enviable reputation, and it has done invaluable work. The monuments today are better signposted, more clearly explained and much better preserved than they had been under the old arrangements. We were able as well to provide funds out of the Welsh block that enabled the Historic Buildings Council to safeguard a great many of the most important buildings in Wales.

With the Welsh Arts Council, we commissioned reports on the housing of the visual and performing arts in Wales. The report on the visual arts set out a compelling case for a major new gallery in Cardiff to house The National Museum and Galleries' great collection of pictures and for temporary exhibitions, together with the provision of gallery facilities in other parts of Wales. With a family connection with the National Museum that extended over more than fifty years, I was particularly pleased that I was able to create a new expenditure line in the Welsh Office budget to ensure that work could start on the magnificent new galleries and improved facilities that cost over £23 million and were opened by the Queen in 1992. Before leaving the Welsh Office, I put clearly on the record my view that, if the public expenditure line that I had

created was maintained, then at least £25 million over four years should be available to provide the core funding for a theatre (I did not call it an Opera House) that would not only provide a home for WNO but other large scale lyric performances as well. At the launch of the Cardiff Bay project, I said that I thought that a centre for the performing arts should be a central component of the plan, and I announced that I had agreed with the local authorities that a design study would be commissioned. In 1988 Peter Walker announced that a site would be set aside for such a theatre within the Cardiff Bay area. The subsequent history of the Opera House project and the Millennium Centre that replaced it with broadly the same objectives is not for this lecture. Peter Walker saw the Museum project through to its successful outcome.

Early in our time in government we made a contribution that made possible the acquisition by the Welsh National Opera of its John Street premises; and later David Hunt provided it with a generous grant when a long foreseen financial crisis hit the company soon after he became Secretary of State. In 1987 we were able to save the Sherman Theatre in Cardiff, after its existence had been threatened by the financial crisis at University College; and later the Welsh Office wrote off £1.3 million of debts built up by Theatre Clwyd. £11 million pounds was provided for the Third Building at the National Library of Wales, which was completed in 1996. By the same date the National Lottery had funded almost £166 million for 686 Welsh schemes. Taken with the strong support given to the Welsh language, all this represents very substantial backing for Welsh culture and heritage.

## **CARDIFF BAY**

I have told the story of the remarkable development of Cardiff Bay in *Westminster, Wales and Water*. A generation is growing up who never knew what a great sweep of south Cardiff was like in 1985 when Michael Roberts and I determined that something substantial must be done, and that probably is true of a great many members of the National Assembly who meet there. Much of the area was an empty desert; a great part of the docks stood derelict; the site of the East Moors steelworks, closed under the previous Labour government, had been cleared; and the site of the former Rover car works had been abandoned. Right in the heart of the capital city was a vast area of derelict and wasted land. The old Glamorgan County Council had bravely built its new County Hall in the area; an urban development grant had helped to persuade Tarmac to begin a housing project near the old Bute East Dock and the new access road from Culverhouse Cross had been partly constructed; but it was all too clear that a major new initiative was required if the huge potential of the area for

development was to be realised. I believe that I can legitimately claim that it was I who recognised that there was huge potential because it was a waterside site, and that given the right conditions, this was a part of the city in which people would want to live and work and play.

When I announced our plans on 5 December 1986 at a seminar on urban renewal, I was careful to put the proposals for Cardiff in the context of what we were trying to do elsewhere and particularly in the South Wales Valleys. I referred to the communication links between Cardiff and the valleys described earlier in this lecture, which I called an umbilical cord between the two communities. What we were attempting in Cardiff was not just to transform a city; but also to give a major boost and new hope to a whole economic region. I had prepared the ground carefully; and I was able to say that we were able to proceed stage by stage with the agreement and enthusiastic support of the principal local authorities. The City, the County and the Vale have been informed step by step of our thinking and have indicated their support for these ideas. That is very important and is a situation quite different from that experienced in the London Docks and in other places where government has had to impose an organisation on unwilling authorities.

It was against that background that I announced the government's decision, with the support of local government, to set up a Cardiff Bay Development Corporation (CBDC). Geoffrey Inkin, who had successfully chaired the Cwmbran Development Corporation and the Land Authority for Wales, had agreed to be the first chairman. The Corporation was to have the limited but highly important task of seeing that the development potential of the area was realised. I said that once the task was completed, it would be wound up and relinquish its responsibilities to the local authorities which would continue to exercise all their other normal functions in the area. In 1997 the Labour government announced that it would be abolished as part of its assault on quangos. The claim was ridiculous, but I was glad to see my 1986 commitment fulfilled.

I have criticised a comment by the Conservative AM, David Melding, earlier in this lecture. Once again I am afraid that I have to say that he completely misrepresents the situation when he writes, "It was significant ... that the government established the Cardiff Bay Development Corporation rather than enter into a partnership with the relevant local authorities. Furthermore the CBDC was chaired by Geoffrey Inkin, a former Conservative parliamentary candidate, and he was taken as an illustration of the government's tendency to appoint Welsh Tories to a level of influence

unobtainable through the ballot box”. The reality was that we had entered into an effective partnership with local government, and that Geoffrey Inkin, a former Gwent County Councillor, was selected because of his record, not because of his politics. Working closely with Labour’s Jack Brooks (now Lord Brooks of Tremorfa), his Deputy Chairman, he made a considerable success of the partnership that I had created.

The Labour MP for Cardiff South and Penarth, Alun Michael, has given his account of what happened in *The House Magazine*, Parliament’s own weekly (27 February 2006), “The Victorians had considered a barrage across Cardiff Bay, but it took a remarkable political alliance to drive the vision. Margaret Thatcher’s Welsh Secretary Nicholas Edwards offered the county’s Labour leader (Lord) Jack Brooks a development corporation to drive the development of Cardiff Bay. A recipe for conflict? Jack put it to the leadership team on both councils and we agreed to go for it, provided planning stayed with the city. The local authorities became full partners on the corporation’s board”.

Once again I can shorten my account by referring to *Westminster, Wales and Water*. I had not anticipated just how long it would take to get the necessary legislation through parliament, or the degree of hostility of Rhodri Morgan and a handful of Labour MPs. In Barry a statue of David Davies, Llandinam, stands imperiously looking out over his great creation. I have been tempted to commission a statue of the First Minister to stand in Cardiff Bay with the inscription *He tried to prevent all this*. After the first (Private) Bill had floundered in April 1991, the decision was taken to bring forward a Government Bill. When that Bill came to the House of Lords for its second reading in 1992, I spoke for nineteen minutes in support of the measure. Lord Callaghan of Cardiff, speaking shortly after, began his speech with a generous compliment:

I should like to begin by saying something that I never thought that I should like to say, and that is how much I agreed with the speech of the Noble Lord, Lord Crickhowell. It was a remarkable speech, and I thank him for it. It raised our eyes from some of the considerations that have loomed large in the Bill to the point of excluding the general approach and magnitude of the proposition. He enabled us to see the proposition in perspective. I hope that your Lordships will read carefully what he had to say, because I believe that is a speech that will stand.

I concluded another speech a year later in 1993 with the words:

If it is wrong to dream a dream, I plead guilty, but I am proud to have dreamt it and pray that Parliament will make it a reality.

Once again Jim Callaghan spoke eloquently in support, and concluded:

I have no doubt on which side I will come down. Noble Lords will not be surprised to hear that, considering that I represented the poorest and most deprived area of Cardiff for over forty years.

I put it to your Lordships that in the end, if we add on the basic interests of people who have lived in the deprived area, the worst area in Cardiff, and weigh them against the other interests that have been put today, there can be no doubt which way the vote should go.

Thanks to the partnership approach epitomised by the CBDC the private and public sectors combined in one of the most remarkable regeneration projects ever seen in Europe. Substantial sums of taxpayers' money was involved: between 1987 and 1991, for instance, the Welsh Office made grants of almost £100 million to the CBDC, largely in the form of capital investment, of which around half was for land acquisition. Some 6,000 new homes were built in the first phase, of which around a quarter were 'social housing', owned by public authorities or housing associations.

If pride is a sin, then I have to offer my next comment as a confession. Each time I go down to the Bay I feel proud; and I believe that the Conservative Party, as well, can justifiably take pride in this transformation of a great part of our capital city and in the much wider impact of this development throughout South Wales.

David Hunt, who enthusiastically backed the whole project at a critical time, tried to widen the partnership approach to cover the whole Welsh economy. In 1991 he established the Welsh Economic Council as a forum where key players could exchange views and experience and seek to influence the Welsh Office. In the event it was a short-lived experiment. To advocates of devolution it was an inadequate response; and for John Redwood, it embodied a form of corporatism that had outlived its time. Shorn of its founder it did not survive.

## **ROADS**

It may seem like coming down with a bump to turn from Cardiff Bay and a dream fulfilled to the much more mundane subject of road building; but it is another story of a transformation substantially carried out by Conservative governments. When talking about the paper by Howe and Hooson, I referred to schemes already in the pipeline in the fifties, and I have also described the dramatic improvements made in the principal Valley roads. Between 1979 and 1997 £3 billion was invested in the M4, A55 and A465. When I became a candidate in Pembrokeshire in 1970, it took more than seven hours to drive from London to St David's, and we regularly put the car on the night sleeper to Swansea. By 1986 the M4 between the Severn bridge and Pont Abraham was complete except for the Baglan to Lonlas section already served by a dual carriageway; and the impressive bridge over the River Neath was constructed in

the following decade to finally complete the motorway, while beyond it a dual carriageway on the A48 and A40 took the route on past St Clears.

In 1986 I published a consultative paper about the priorities for the 1990s and beyond, seeing communications as a key to prosperity. John Redwood was also an enthusiast for road building. In his book *Singing the Blues* he writes, "I settled on three major route corridors, the southern M4, the northern A55 expressway, and the valleys road from the A40 to the M4". He is fully entitled to take the credit for the decision to convert the old Heads of the Valleys road to a dual carriageway (the work on which is well under way at the present time), for planning the similar work on the A55 in Anglesey, and for scrapping plans to dual the A5 through beautiful Snowdonia; but the routes of the M4 and A55 had been settled years before by his predecessors, and both projects were virtually complete when he arrived in the Welsh Office. By 1997 when the Conservatives left office the A55 dual carriageway was complete up to the Menai Strait; and the extension across Anglesey was in an advanced state of planning as was planning for the duelling of the Heads of the Valleys road in South Wales. Substantial improvements had been made on the A4042 past Cwmbran and Pontypool, while the number of bypasses that had been constructed around towns throughout Wales was so large that they cannot possibly all be named in a lecture.

I took the decision to build two of the most important estuarial crossings that have been constructed in the United Kingdom, the tunnel under the river Conwy and, with Nick Ridley, the second Severn Crossing over the English Stones on the Severn Estuary south of the existing bridge. The submersed tube tunnel lying on the bed of the estuary at Conwy, the largest of its type yet constructed in this country, was opened by the Queen in 1991. My decision to choose a tunnel rather than a bridge, at a cost of an additional £15 million, in order to protect the world heritage site of Conwy with its castle and town walls was warmly welcomed. The Second Severn Crossing is widely judged to be an engineering masterpiece. It was finished on time and within its budget of £300 million in 1996. I have already had to confess to the sin of pride; and I admit that at the opening of both these magnificent feats of engineering, I felt proud to have been involved with the projects.

## **HEALTH**

I have referred earlier to the curious fact that eminent Welsh historians, writing about modern Wales, are inclined to omit any references to the achievements of

Conservative governments or the work of Conservative ministers. Perhaps it is less surprising, though no less irritating, that the party's political opponents wildly distort or falsify the record. During the campaign preceding the last general election, I was particularly irritated by the accusation that the Conservatives had cut expenditure on the Health service between 1979 and 1997, and by the statement of Peter Hain during the Welsh Day debate on 4 April 2005 that, "Around 70 hospitals in Wales closed under that Government"; and that, "Nurses were being sacked, doctors were losing the opportunity to practice". As I record in *Westminster, Wales and Water*, "The reality was very different: expenditure on the National Health Service in Wales grew by nearly one-third in real terms between the financial year 1978/79 and the 1987 election". "During the same period it employed more doctors, nurses and professional staff than ever before, and treated close on a quarter more patients in hospitals than it had done in the period just prior to our taking office. There were over 4,000 more nurses and their pay, after allowing for inflation, had been increased by 30 per cent. One result of this increased expenditure was that we were able to undertake the biggest hospital and community health building programme in the history of Wales, costing half-a-billion pounds and involving the completion of five new general hospitals, with another under construction". Recent parliamentary answers reveal that the number of units (not hospitals) closed during the Conservative years was half the total given by Mr Hain, and they were closed because new facilities had been built and medical practice meant that people spent less time in hospital. Occupancy rates over the period hardly altered. At the present time the Assembly is closing units for exactly the same reasons: 3,000 hospital beds were lost in Wales in the ten years ending in 2005.

In October 1991 David Hunt, responding to a parliamentary question, summed up the situation at that time said, "Let me put it in simple terms. When we came into power in 1979, the health service was spending £171 for every man, woman and child in Wales - that was the level of spending that the Labour Government had reached. Updated to 1991 prices, it would be £396. We are now spending £614 for every man, woman and child". By 1994 expenditure had risen by 71 per cent, ten new NHS hospitals had been built. They included Glan Clwyd Hospital, major developments at Morriston Hospital (to which we transferred the burns unit from its old hatted premises at Chepstow), Prince Charles Hospital at Llanelli, Princess of Wales Hospital at Bridgend, The Royal Glamorgan Hospital near Llantrisant, Wrexham Maelor Hospital, Ysbyty Gwynedd (which was opened by Margaret Thatcher), and the modernisation of St Woolos, Newport. The new community hospitals at

Ystradgynlais and at Mold were outstanding examples of the best kind of smaller modern hospitals. I suspect that when Labour politicians talk about our closing hospitals they list ancient cottage hospitals, but ignore the fact that they were replaced by these state of the art modern versions. A new bone marrow Transplant Unit and a new Genetics Centre had been provided in Cardiff; a new cardiac surgery unit was in an advanced planning stage; a third renal dialysis centre had been brought into operation in Swansea and within a year six new CT scanners were in operation. The number of GPs had gone up from 1,339 in 1979 to 1,676, and the number of nurses by nearly 6,000 to over 25,000. Inpatient numbers had risen from 350,000 to over half a million, and day cases from 31,000 to over 164,000. Waiting lists (which were to soar later when Labour were in control in the Assembly) were sharply down.

By 1997 when the Conservatives lost power, expenditure had risen by 85 per cent in real terms. The fact that to-day huge numbers are being treated by the National Health Service in Wales in modern hospitals with the newest technological facilities is very substantially due to the programmes and policies undertaken between 1979 and 1997.

John Wyn Owen, who was Director of the NHS in Wales from 1984 to 1994, complained in a lecture given at University of Wales Bangor in March 2000 that I had devoted only two pages of my book, *Westminster, Wales and Water* to the National Health Service in Wales and that this was “an inadequate reflection of the foundation” which I had laid “for some very important and pioneering work in health and health care”. Among the nineteen highlights that he lists were

- the ten year strategy to provide improved support for mentally handicapped patients.
- the building of five district general hospitals simultaneously and the beginnings of an innovative programme of community hospital developments
- Heartbeat Wales - the first regional health promotion programme
- Perinatal Initiative
- Breast Test Wales
- Pioneering Public Private Finance - satellite dialysis units in Bangor and Carmarthen, bringing Wales up to the best in Europe

- Partnerships with industry: the establishment of the Medicentre in Cardiff and the incubator plant for medical innovations adjacent to Ysbyty Maelor in Wrexham.

Perhaps the best initiative of all was my appointment of John Wyn Owen as the first Director of NHS Wales, a decision that was the outcome of the NHS Management Enquiry by Sir Roy Griffiths. That decision led to a period of development and of the establishment of an outlook on health services which was later adopted in New Zealand and Australia. Roy Griffiths had recommended that responsibility for planning, implementation and control of performance should be drawn together in one person at different levels of the Service, and that there should be clear accountability. Ministers cannot run the Health Service on a day-to-day basis. The wise decision that Wyn Roberts and I took was to select the right man and give him full scope and support. Wales took a pioneering approach in strategic management, and in 1988 the health service in Wales developed the first corporate management programme of its kind in the United Kingdom

When in 1990 the Government embarked on a reform aimed at raising standards and increasing choice for patients, in Wales it was possible to implement the changes within a clearly defined strategic framework that focused on health gain, the ambitious Strategic Intent and Direction, for which David Hunt, as Secretary of State, must take much credit. There was an emphasis on tackling the major public health challenges of the time including cardiovascular disease and cancer, as well as a heavy emphasis on health promotion and prevention. Partnership was also a key commitment, with industry, the private sector and the voluntary sector. The aim was ambitious: to take the people of Wales into the 21<sup>st</sup> century with a level of health on course to compare with the best in Europe. Real progress was made in the first two decades, and the National Audit Office identified the Welsh initiative “as a pioneering response to the World Health Organisation’s strategy Health for All by 2000”. Clinical services did improve including breast cancer screening, perinatal mortality and access to dialysis.

### **JOHN REDWOOD AND WILLIAM HAGUE**

I have made several references to the approach adopted by John Redwood as Secretary of State, and, because he had particularly strong views about the Health Service, this is an appropriate point to say a little more about his time in office. His political adviser Hywel Williams in his book *Guilty Men* has painted a vivid picture of

Redwood whose “Robespierrist purity”, he asserts, “had more than a whiff of self righteous virtue about it. He simply didn’t care what others thought about him”. Soon he was in a state of conflict with both his Prime Minister and his Permanent Secretary, the latter “made increasingly uneasy by the drama, the noise and the fury of Redwoodian initiatives”. Williams says that his boss was “emboldened to see in Wales fertile ground for a distinctive set of policies whose pursuit would be an implicit commentary on the wider fortunes of Conservatism”. These distinctive policies added a number of his cabinet colleagues to the list of those with whom he was in conflict. Among the first of these was Virginia Bottomley, the Health Secretary. Redwood presented himself as the plain man defender of the Health Service. He delivered a controversial speech which upset Bottomley, while in Wales he criticised his officials for not being able to give him accurate and properly costed information, and set about the privatisation and dismemberment of the Welsh Health Common Services Authority which had performed the valuable job of providing services not easily catered for by relatively small health authorities. John Wyn Owen left for Australia. To more purpose his Popular Schools Initiative, which gave such schools extra money so that they could expand, his efforts to get computers into schools, and the distinction that he emphasised between vocational and academic education, were positive contributions to education, and the debate about it that continues to this day.

I have described how John Redwood had walked into conflict with the Countryside Council for Wales and its chairman. That conflict was not unique. Other able men and women were soon as angry as those Cabinet colleagues whom he had provoked. Efforts to ease the tensions and improve relationships were made without success. These were people with contacts throughout the tight knit circle of Welsh political, cultural and media life. One person involved has suggested to me that the antagonisms generated by John Redwood’s curious determination to provoke those who could have made effective allies in generating a much needed series of reforms were a crucial factor in alienating the key opinion formers who were to tip the balance when the time came to vote in the devolution referendum.

John Major, writing about Redwood in his memoirs, recorded that, “He ... rarely intervened in Cabinet. Nor did he take to the Welsh people or he to them”. His appointment as Welsh Secretary was one of the Prime Minister’s mistakes. I have frequently argued that in politics and the business of government, good judgement is more important than intellectual brilliance. John Redwood’s successor, William Hague, combined cleverness with sound judgement. He spent more time in Wales

getting to know the country and its people; he married his secretary Ffion Jenkins (who Redwood failed to get on with when she first joined the Private Office); he restored the budget of the WDA; he gave doctors and patients more say in running the Health Service; and issued an important White Paper on the Countryside which improved relations with conservation bodies while helping to sustain rural communities and encourage private rural initiatives.

### **LOCAL GOVERNMENT REFORM**

As we have seen, the reform of local government carried out by Peter Thomas and the Heath Government had its critics at the time, and David Hunt was brave enough to make a fresh attempt to create a structure suited to the requirements of modern Wales. On 1 March 1993 he published a White Paper, *Local Government in Wales: A Charter for the Future* (Cm 2155), which outlined proposals to establish 21 new unitary authorities which “sought to balance the demands of local community loyalty with the requirements of effective and efficient service delivery”. While the Assembly of Welsh Counties called for fewer and larger authorities, the Council of Welsh Districts gave the proposals a warm welcome; and the majority of representations received by the government argued for smaller authorities based on the existing districts. Some decisions were relatively easy, for instance the re-establishment of Pembrokeshire and Monmouthshire; but some were more difficult. All the advice was that the areas of Brecknock and Radnor were simply not viable as unitary authorities, but the decision to weld them together was inevitably controversial. The Act of Parliament that followed implemented the White Paper proposals with a few minor changes, and the creation of 22 unitary authorities. The cities and towns of Cardiff, Newport, Swansea and Wrexham were, as a result, all served by unitary authorities; and many of the historic counties were restored in the same role. John Redwood inherited the reform scheme and did not share David Hunt’s enthusiasm for the measure, but did little to change it. Whatever the differences between successive Secretaries of State, it was odd that some of those who criticised the work of quangos felt that a Local Government Commission should have been responsible for recommending the shape of local government reform. The truth is that one of the advantages of the old Welsh Office structure was that it enabled decisions to be taken by ministers after a widespread and comprehensive process of consultation, and a great deal of debate.

The new Community Charge (or Poll Tax) was a much less happy or sensible reform, with disastrous political consequences for the Conservative Party, although the adverse consequences for local authorities and ratepayers were felt much less

severely in Wales than in many parts of England. This was because, both before and after the introduction of the new system, the share of local government finance received from central government was always larger in Wales than in England. Welsh local authorities did extremely well out of the block grant system. Welsh ratepayers were receiving around £130 per head more than their English compatriots towards the end of the last Conservative administration.

## **HOUSING**

I have described the remarkable progress made in improving the condition of housing in the South Wales Valleys. It had been a major aspect of policy to improve the condition of public and private sector housing stock through home renovation grants and the improvement programmes of local authorities. For those on low incomes, home renovation grants could provide 100 per cent assistance to bring their homes up to a minimum fitness standard, and there were also discretionary grants for a wide variety of improvements. Other priorities had been to increase home ownership through the Right to Buy, Rent to Mortgage and other home ownership schemes, and to increase the supply and variety of rented accommodation. Owner occupation in Wales had reached record levels, having risen from 59 per cent in 1979 to 72 per cent. Well over 100,000 local authority, housing association and new town tenants had bought their homes in the same period. Housing for Wales, Tai Cymru, had been established in 1985 to increase the supply of social accommodation by housing associations. It had helped to provide over 17,000 homes. A large number of the houses made available by housing associations had been in rural areas, around 1,500 in the single year 1992-93. Deregulation of landlords, combined with extra protection for tenants against illegal eviction and harassment, had brought about a sustained revival of the private rented sector, providing for a widely held need. Local authorities had been encouraged to carry out an enabling role in the provision of housing rather than owning and building large numbers of houses themselves. William Hague had, for this purpose, introduced a three-year exemption from the previous 20 per cent levy on capital receipts, along with the guarantee that local authorities could use 25 per cent of their receipts to spend on housing.

## **QUANGOS**

It later became fashionable to attack the whole system of 'Quangos'; and to assert that during our time in government they were as a matter of course all manned by Tories (with the added suggestion that they had no suitable qualifications). The Welsh Language Board provides a good example to rebut both criticisms. There are

good reasons for putting a delicate task such as that given to the Board in independent hands; and I share the doubts that have been expressed about the wisdom of transferring this responsibility to the politically charged National Assembly. The appointment, first of John Elfed Jones and then of Dafydd Elis-Thomas, like my re-appointment of Gordon Parry as Chairman of the Wales Tourist Board, are excellent examples of the many non-Conservatives appointed by Conservative Secretaries of State to positions of great importance. When I took office, I found that almost all positions on Welsh 'Quangos' were held by members of the Labour Party. I determined to correct the balance, but not to make the same mistake. I was also prepared to make good use of bodies such as The Welsh Development Agency, The Development Board for Rural Wales and the Land Authority for Wales, which had been set up by my Labour predecessors. Men and women like John Williams and David Rowe-Beddoe at the Welsh Development Agency, Michael Griffith and Lindy Price in the Health Service, John Elfed Jones, Dafydd Elis-Thomas and Gordon Parry in their respective quangos, and many others, have all rendered huge service to Wales. Many have contributed to more than one public organisation. There were a few who failed to measure up to the standards required and who were rightly replaced, but they were a tiny minority. Despite the existence of the Assembly, I believe we shall continue to need non-departmental public bodies, and I hope that we will in the future find it possible to recruit men and women of similar calibre to those that I have mentioned, who are not full-time politicians, from right across the political spectrum to render public service despite the jibes and criticisms sometimes directed in their direction.

### **THE ECONOMY IN 1997 AND THE GENERAL ELECTION CATASTROPHE**

It seems appropriate to finish this history in 1997, and to leave it to another to record the contribution of the Conservative Party in the era following the creation of the Welsh Assembly. In the period from 1979 to 1997, Conservative policies had transformed the Welsh economy. The United Kingdom was enjoying the longest period of low inflation for nearly fifty years; there were historically low interest rates; and the lowest rate of income tax for over half a century. We were in the fifth consecutive year of growth; and had the strongest growth of any major EU country. A deregulated labour market and the opt-out negotiated in the EU from the Social Chapter, gave assurance that Wales could remain competitive in world markets. Inward investment was providing almost one-third of all manufacturing jobs in Wales, and the foundations of a new technology economy had been firmly laid. Unemployment had fallen by 31 per cent from its 1992 peak, and the old unhappy

differential between Welsh unemployment and that in the rest of the UK had been largely eliminated. Regeneration and derelict land clearance had removed much of the environmental blight created by the long decline of the old industries. So sound was the UK economy at this point that Gordon Brown, benefiting from this benign inheritance, pledged that he would maintain the Conservative expenditure plans for the following two years. The irony was to be that despite all this good work, and the Party's immense contribution to the Welsh language and culture during those years, the disasters that overwhelmed the Major government in office and led to catastrophe in the 1997 General Election throughout Great Britain were repeated in Wales, so that the Conservative Party did not win a single seat there for the first time in a century. In 1992, at a time when unemployment had peaked, Conservatives had won six seats and 28.6 per cent of the vote (still a higher proportion than in the 1970 and 1974 elections). The 1997 result, when the percentage of the vote fell below 20 per cent, was a desperately disappointing reward for 18 years of positive achievement in Wales. Welsh politics, for all the talk of its national character, was still so much part of the politics of Britain as a whole that local achievement could not insulate it from what was happening elsewhere in Britain.

One immediate consequence of the 1997 General Election result was that a demoralised and enfeebled Conservative Party played no effective role in the Devolution Referendum that followed. That was in marked contrast to the leading part played on the previous occasion. Despite that, the result was desperately close. With a turnout of only 50.3 per cent, 50.3 per cent of the electors voted 'Yes' and 49.7 per cent voted 'No'. It was hardly a warm endorsement of the form of devolution presented by the government; but it was enough. It seemed clear to me that if we were to have devolved government, then the Conservative Party must do its best to ensure that it worked for the benefit of the Welsh people. The story of the Conservative contribution to Welsh politics and to the work of the Welsh Assembly is for another Political Archive Lecture. Enough to say that in Opposition the Party in the Assembly has shown that it is both constructive and effective, while the result of the 2005 General Election, when three Conservative seats were won at Westminster, the same number that we held when I first became a candidate, gives me confidence that Conservatives will have much to do for the people of Wales in the years ahead.

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