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## **Welsh Office exceptionalism, economic development and devolution, 1979 to 1997.**

Between 1979 and 1997, five successive Conservative Secretaries of State headed the Welsh Office, the government department responsible for administratively devolved activity. The extent to which these ministers developed their own ‘exceptional’ policies at variance with those of central government was much debated, most commonly in relation to economic development. This paper examines such activity to make three arguments. First, exceptionalism took place, but was constrained by the nature of administrative devolution. Second, it often reflected the individual political philosophies of Secretaries of State and their ambitions on the UK’s political stage, as opposed to any desire for autonomy. Third, it was a crucial if inadvertent factor behind convincing the electorate that political devolution was both feasible and desirable. Overall, exceptionalism was driven by the Secretary of State’s ability to marshal the public sector behind his policy objectives, the momentum of existing institutions and the characteristics of each minister.

## INTRODUCTION

The Welsh Office was created in 1964 as an administratively devolved department with responsibilities over some aspects of government activity in Wales. Headed by a cabinet level Secretary of State for Wales, its initial responsibilities were modest but gradually expanded throughout the later 1960s and the 1970s. Labour secured the largest number of parliamentary seats in Wales throughout this period, forming the government at Westminster apart from between 1970 and 1974. However, the victory of the Conservative Party in the 1979 and subsequent elections meant that their ministers controlled the Welsh Office until 1997, although the party never held a majority of parliamentary seats in Wales. As a result, five Conservative Secretaries of State held office between 1979 and 1997. They were: Nicholas Edwards (1979 to 1987); Peter Walker (1987 to 1989); David Hunt (1989 to 1993);<sup>1</sup> John Redwood (1993 to 1995) and William Hague (1995 to 1997).

Throughout the 1980s and 1990s, politicians and commentators often argued that Secretaries of State practiced 'Welsh exceptionalism', an approach proposed as having two components. First, ministers used their relative autonomy to create policies differing from those of central government. For example, historian K.O. Morgan stated in 1990 that the Secretary of State had 'almost a free hand in spending, acting as Prime Minister and Cabinet rolled up into one', implementing policies that were 'un—Thatcherite',<sup>2</sup> while Nicholas Edwards later stated that Margaret Thatcher 'didn't entirely approve of some of the instruments that I used'.<sup>3</sup> Second, exceptionalist policies appeared to have a more corporatist focus, with *The Times* claiming that Peter Walker had turned Wales into a 'giant laboratory to test his interventionist theories of government' while 'his boast that the spirit of Keynes once more walks the valleys [...] infuriated the Prime Minister'.<sup>4</sup> Despite such perceptions, later

analysis tended to downplay the extent of exceptionalism, with a 1999 study claiming that central government was able to ‘impose its preferred policies in Wales, whatever appearances to the contrary’,<sup>5</sup> while Martin Johnes’ authoritative *Wales since 1939* argued that the key difference over economic development was that the Welsh Office ‘boasted about intervention rather than hid it’.<sup>6</sup> However, the extent to which exceptionalism took place within economic development has yet to be fully analysed, as is also the case for the linkages between Welsh Office behaviour and the transformation between 1979 and 1997 of electoral attitudes towards political devolution.

This article focuses on exceptionalism within economic development, drawing on archival material as well as interviews with politicians and those formerly holding senior positions within governmental organisations. Economic issues had a consistently high profile throughout the period, with all Secretaries of State seeing the economy as their leading personal policy objective.<sup>7</sup> This was caused by the extent to which the Welsh economy, heavily dependent on steel, coal and manufacturing, was affected by the industrial downturn of the early 1980s. Between 1979 and 1983, the number of manufacturing employees dropped by 36 per cent while total employee levels throughout Wales fell by almost 14 per cent.<sup>8</sup> The iconic state—run coal and steel industries lost over 70,000 jobs between 1979 and 1985, with British Steel's Chief Executive noting in 1980 that the scale and speed of jobs losses in south Wales was of a ‘magnitude never encountered before in a relatively small geographical area’.<sup>9</sup> Some recovery was in place by the late 1980s, much of which was driven by Welsh Office intervention in areas such the attraction of overseas owned manufacturing plants. However, further deindustrialisation spurred the re—emergence of relative economic decline by 1997, by which time the employed and self—employed workforce was smaller than that of 1979. In political terms, the years up to 1997 witnessed

the virtual, if temporary, disappearance of the elected Conservative Party in Wales. Its 1983 parliamentary total of 14 seats out of a possible 38 was reduced to six by the 1992 general election, it achieved a paltry 14.6 per cent of votes in the 1994 European election and lost all of its parliamentary seats in 1997.

This paper makes three arguments. First, exceptionalism within economic development took place, with its most important element being the way in which Secretaries of State could use their position of authority to lead and direct public sector activity. Despite this, it was often exaggerated for political effect and was tightly constrained by the mechanics of administrative devolution. Second, it reflected the broader political ambitions and philosophies of Secretaries of State and the administrative momentum of the Welsh Office, as opposed to any desire for autonomous policymaking. Third, exceptionalism's greatest impact was in broad political terms as it was a crucial, if inadvertent, factor behind convincing the electorate that political devolution was both feasible and desirable. Overall, Welsh exceptionalism was driven by the Secretary of State's ability to marshal the public sector behind his policy objectives, the momentum of existing institutions and the characteristics of each minister.

The remainder of this article is structured as follows. The next section discusses the Welsh Office before 1979, with the subsequent part detailing how its economic responsibilities evolved between 1979 and 1997. The following sections outline Welsh Office activity within economic development, analyse the extent to which this was exceptional and discuss the characteristics of each Secretary of State in relation to economic development. The final parts examine the drivers of such exceptionalism and its political impacts, before concluding.

## THE WELSH OFFICE BEFORE 1979

Wales barely existed as an administrative unit in the immediate post-war years. Attempts to persuade central government to establish a Welsh equivalent of the administratively devolved Scottish Office were rebuffed in 1946 on the grounds that any such department would be too small to be efficient.<sup>10</sup> In 1951, a Minister for Welsh Affairs was created but the post had very limited responsibilities and was subsumed into the office of Home Secretary. By the 1950s, some impetus towards administrative devolution was coming from the Labour Party and in 1964, the newly formed Labour Government created the cabinet level post of Secretary of State for Wales, with authority over what became known as the Welsh Office. Its birth was difficult with some MPs and officials pressing for the department to be established with a vague oversight role, without staff or executive responsibility.<sup>11</sup> However, after the first Secretary of State, Llanelli MP James Griffiths, threatened resignation, the Welsh Office was granted control over housing, local government, roads, economic planning and some other minor areas. While the Secretary of State and one or more junior ministers controlled policy over these areas, the Welsh Office's priority for much of the 1960s and beyond was simply to secure its status, with its most important achievement being survival. Attempts to influence policy in non-devolved areas generally ended in failure, as happened in 1969 when the Welsh Office unsuccessfully asked the chair of the state-owned National Coal Board (NCB) to withdraw its decision to close a mine in Glyncorrwg, south Wales.<sup>12</sup>

The Conservative-run Welsh Office between 1970 and 1974 was generally content to maintain the status quo, but the return of Labour to power in 1974 saw a far greater commitment to administrative and political devolution. Shortly after his appointment as

Secretary of State, John Morris told his civil servants that the Welsh Office should not be ‘a post office for other departments’ while there were ‘many ways in which the umbilical cord needs to be severed’.<sup>13</sup> For example, he took advantage of the Scottish Office’s plans to create an economic development agency to obtain parliamentary approval for similar bodies in Wales.<sup>14</sup> This enabled the creation of agencies that were later to be centrepieces of ‘Welsh exceptionalism’: the Welsh Development Agency, the Development Board for Rural Wales and the Land Authority for Wales. While similar bodies existed in Scotland and Northern Ireland, none existed in the English regions with economic development generally remaining the responsibility of Whitehall. While some activities of the type carried out by the administratively devolved agencies did exist, budgets were often constrained and co—ordination within English regions was largely absent given the degree of centralisation.

By 1979, the Welsh Office’s staff total had doubled since 1974, while areas under its partial or sole responsibility had expanded to include 44 per cent of identifiable government expenditure in Wales, with the balance accruing to non—devolved areas such as nationalised industries and welfare.<sup>15</sup> In terms of political devolution, government proposals to create an elected assembly were comprehensively rejected in 1979. Economic issues did not play a prominent role in the debate leading up to the referendum. Despite this, economic uncertainty combined with the dependence of the vitally important coal and steel industries on financial support from central government to create a climate that acted against constitutional experimentation. The Secretary of State later recalled that ‘the industrial problems in the winter of discontent were against us’, meaning that ‘in the end, we came to the stickiest end that anybody could ever come to as a nation, rejection by four to one.’<sup>16</sup>

## **CHANGING RESPONSIBILITIES AT THE WELSH OFFICE, 1979 to 1997**

Writing in 1994, Rhodri Morgan, then the Labour MP for Cardiff West and a later First Minister of the politically devolved Welsh Government, pithily noted that senior civil servants at Westminster, often known as mandarins, sometimes referred to their counterparts in Cardiff as 'satsumas'.<sup>17</sup> While apocryphal, this neatly symbolises how much of the Welsh Office's history was characterised by its gradual emergence from under the shadow of Whitehall. Disentanglement was a long and complex process across economic issues, with responsibilities divided into three overlapping types throughout the 1980s and 1990s.

First, the Welsh Office had no responsibilities over fiscal and monetary policies or the nationalised coal and steel industries. Within coal, the political and financial issues were so difficult that the Welsh Office was reluctant to seek any involvement. For example, Derek Ezra, the NCB Chairman, secretly proposed in 1980 that the south Wales Coalfield be placed under the control of the Welsh Office 'to solve the area's problems in a Welsh context'.<sup>18</sup> However, this idea was rejected by the Welsh Office,<sup>19</sup> probably as the crucial decisions over subsidy would have been retained by London. This meant that the Secretary of State could have been in the uncomfortable position of having accountability without full authority. Within steel, attempts to exercise informal influence by persuading central government to adopt a more interventionist approach during the turmoil of the early 1980s were ignored.<sup>20</sup>

Second, the Welsh Office shared some responsibilities with Westminster over regional policies, created after the Second World War to reduce regional economic imbalances. The most prominent throughout the post-war 'golden age' of expansion was central government's Industrial Development Certificates. These were necessary to construct factories throughout the UK and were used to divert industry to priority areas. While they had



played a crucial role in attracting industry to Wales, deindustrialisation reduced their effectiveness and the system was abolished in the early 1980s. An additional focus was grants to industries establishing operations in areas designated by the government as ‘assisted areas’, which covered much of Wales. While Westminster retained regulatory control, the Welsh Office administered Regional Development Grants, automatically given to manufacturing companies investing in assisted areas. It also controlled the process by which competitive Regional Selective Assistance grants were assessed and awarded.

Third and most importantly in terms of exceptionalism, the Welsh Office had almost complete discretion over the economic development agencies it inherited from the previous administration; the Welsh Development Agency, the Development Board for Rural Wales and the Land Authority for Wales. These were joined from 1986 by the Cardiff Bay Development Corporation. In terms of scale, by far the largest was the Welsh Development Agency, which operated in the coastal and adjacent areas of north and south Wales. Its main activities were attracting overseas investment, constructing factories, investing in companies, reclaiming land made derelict by industry and providing business advisory services. The Development Board for Rural Wales operated in rural mid—Wales, with a similar remit to the Welsh Development Agency although without investment functions. The Land Authority for Wales was a much smaller organisation, whose responsibilities involved assembling packages of land for industrial and commercial use, while the Cardiff Bay Development Corporation developed the former Cardiff Docks. The Welsh Office set priorities for each agency and provided the bulk of their funding. Such support grew from some £59 million in 1979—1980 to £131 million by 1996—1997, by which time almost £1.6 billion had been provided since 1979—1980. These agencies were established as arms—lengths bodies to ensure greater commercial flexibility than that offered by the civil service, although the

Welsh Office appointed their board members and chairs through a process that was opaque, secretive and controversial. The working of this system was symbolised by the appointment of Dr Gwyn Jones as Welsh Development Agency chair in 1988. He secured his post following a chance meeting with the Secretary of State at a Conservative Party fund raising event, causing a baffled Welsh Office Permanent Secretary, Richard Lloyd Jones, to make last minute phone calls asking 'who is Dr Gwyn Jones?' This was far from unique given the small and interlocking nature of the social and professional circles from which appointments were drawn. For example, a board member of the Wales Tourist Board (and Conservative Party member), Tony Lewis, told a House of Commons Select Committee in 1992 that his appointment did not follow a selection process. Instead, he received a telephone call asking him if he would join the board, after which he was simply sent a confirmation letter.<sup>21</sup> By the 1990s, economic development agencies were among the largest and most high profile Quangos (Quasi autonomous nongovernmental organisations) in Wales, with all such Quangos being collectively responsible for a third of all Welsh Office expenditure.

Underlying all this was a complex system of territorial finance. By 1980, the Barnett Formula was in place.<sup>22</sup> It was intended as a temporary measure to preserve per capita expenditure levels in Wales, Scotland and Northern Ireland that were higher than in England. It linked changes to budget allocations in England on activities that were devolved to Wales and elsewhere to the budgets controlled by territorial ministries for such activities. As well as this, their population size relative to England were also taken into account when HM Treasury calculated allocations. Central government's funding to the Welsh Office was known as the 'Welsh Block' and from 1982, funds could be vired across most budget headings,<sup>23</sup> often to the benefit of economic development agencies. Overall, the Welsh Office of the 1980s and 1990s did have significant responsibilities within economic development,

symbolised by control over Regional Selective Assistance and the agencies, but these were firmly embedded within a system that centralised responsibility for issues of broader economic significance.

## **THE WELSH OFFICE AND ECONOMIC DEVELOPMENT**

While the Conservative Party in Wales had opposed the creation of economic development agencies throughout the 1970s, fearing that they might be used as agents of state centralism, this position was quickly reversed after 1979. Shortly after the election, Nicholas Edwards outlined the new approach when briefing the Prime Minister, stating that there was a ‘continuing need’ for economic development agencies ‘to be allowed to pursue distinctive policies’ as ‘they can respond to local circumstances’.<sup>24</sup> Against this background, expenditure and focus on economic development was maintained and can be categorised and assessed for exceptionalism across six areas: first, the attraction of Foreign Direct Investment; second, factory construction; third, urban regeneration; fourth, financial support to business; fifth, the provision of advisory services to businesses; and sixth, reclamation of land made derelict by industry.

The most prominent and exceptional activity was foreign direct investment. By the late 1980s and the early 1990s, Wales was capturing up to a fifth of all overseas investment throughout the UK, recording the second highest share of any region between 1987—1988 and 1991—1992.<sup>25</sup> Success during these years was far in excess of Wales' population share of some 5 per cent and included the opening of large factories by globally recognisable names such as Toyota, Bosch and Panasonic. By the end of the 1980s, this was leading to heady talk of a ‘general sense of revival’,<sup>26</sup> although the Welsh Office and its agencies were often the

most vocal in promoting this view while foreign direct investment only ever accounted for a small proportion of total employment. Success was caused by the ability of the Welsh Office and its agencies to promote a 'package' to potential investors, with its contents summarised by Nicholas Edward's industrial advisor as 'we can give you premises, we can give you grants, we can give you a good labour force, we can give you a cheap labour force'.<sup>27</sup> While elements of the 'package' such as cheap labour were largely caused by deindustrialisation, the role of the Welsh Office in enhancing the attractiveness of Wales as an investment location through factory construction, grants and loans was vital, as was the direct role of the Secretary of State. His role was symbolised by Peter Walker's successful intervention to attract a 900—job Bosch automotive components factory to a site near Cardiff. According to an officer at South Glamorgan County Council, the Secretary of State 'sat in front of the Bosch entourage, who were looking to pull out of Wales, when he said, "I will deliver the planning. I will deliver the site within a timescale to meet your requirements," when everyone else thought it wasn't deliverable'.<sup>28</sup> Following on from this, the council took a lease on the land, granted planning permission in an exceptionally short period of four weeks and then sold it to Bosch, an approach which was unusual at the time and later made illegal to prevent potential conflicts of interest.<sup>29</sup>

The Secretary of State led what became known as the 'Team Wales' approach, which involved co—operation between government, trades unions and employee organisations. Team Wales was not just a marketing ploy, with the determination of the Welsh Office to form relationships across the political divide being remembered by David Jenkins, General Secretary of the Wales Trades Union Congress in the 1980s. He recounted the surreal experience of waking up on the airplane returning him from an inward investment mission to Japan and South Korea, to find the Secretary of State 'still asleep next to me', after which the

flight 'was soon to land and we were about to be re—immersed into the bitterness of the 1984 miners' strike', causing him to wonder 'for a moment whether I had done the right thing'.<sup>30</sup> This relationship was completely at odds with the prevailing political climate within the UK as a whole and implied that foreign investors were expected to work closely with trades unions. As a result, all but one of the 12 Japanese plants in Wales by 1987 had agreed sole collective bargaining rights with one union.<sup>31</sup> Overall, the role of 'Team Wales' was highlighted by a grant and location advisor with one of the major accountancy practices as 'if you were a potential [investor], somebody from the WDA [Welsh Development Agency] 'would grab you' and 'run you through the system, they'd take you round Wales, they'd show you the best places to go, and they'd bring in everyone to speak to you' while overall, 'it was a very smooth system. You'd come in one end, you went through the sausage machine and you came out the other end.'<sup>32</sup>

However, success did not last, with the percentage of UK projects attracted to Wales dropping from 14.8 per cent in 1993—94 to 9.1 per cent in 1996—97, caused by difficulties in attracting service sector investment as well as growing competition for manufacturing projects from Ireland and Eastern Europe. The symbolic death knell for Foreign Direct Investment came in the late 1990s, after the failure of the Korean LG investment in Newport, originally forecast to employ some 6,000 people. This was offered subsidies of some £247 million by the Welsh Office in 1996,<sup>33</sup> sufficient to beat off competition from other parts of the UK, some of whom complained furiously about the greater resources available to Wales. Despite high hopes, the investment was derailed by a domestic financial crisis and was never fully realised. However, the success of foreign direct investment during the 1980s and the early 1990s was a clear example of Welsh exceptionalism in practice, given that it depended

on both the existence of the Welsh Development Agency as well as the ability of the Secretary of State to marshal the public sector behind his objectives.

Crucially, the Welsh Development Agency maintained its own system of international offices in markets such as Japan and the United States, as did its Scottish and Northern Irish equivalents. England as a whole was represented by central government's Invest in Britain Bureau, established in 1977 within the Department for Trade and Industry. However, the scale of its geographical responsibilities meant that the bureau and its sponsoring department struggled to match the level of service being offered by the WDA. While inward investment had a high profile, with Peter Walker claiming that Mrs Thatcher intervened to steer a Toyota project away from Wales towards Derby,<sup>34</sup> this was unusual and only tended to happen with a small number of the highest profile projects. For example, Nicolas Edwards stated later that such direct intervention 'certainly never happened in my time'.<sup>35</sup> Overall, the autonomy of the Welsh Development Agency was safeguarded by the Secretary of State, with its success leading to resentment in the English regions, a factor which contributed towards the establishment of regional development agencies after 1997.

The second prominent and exceptional area of activity was the Welsh Development Agency and the Development Board for Rural Wales' development of industrial sites and factories. This had emerged as a key activity in the later 1970s and was enthusiastically continued after 1979, with the Welsh Development Agency announcing the construction of 356 factories between December 1979 and March 1980, comprising some 222,000 sq. meters of space. The scale and speed of these programmes was recognised as unparalleled, with the Secretary of State for Industry, Keith Joseph, noting in 1980 that the funding for factory construction in the area affected by the partial closure of the Shotton steel plant in North East

Wales could not be matched elsewhere in the UK.<sup>36</sup> Overall, the Welsh Development Agency built almost a million sq. meters of factory space between 1979—1980 and 1989—1990, while the Development Board for Rural Wales doubled its portfolio in the same period. As part of the general focus on land development, the Land Authority for Wales was active in assembling packages of land for commercial and industrial uses, which it was able to do with the support of its compulsory purchase powers, although these were rarely used.<sup>37</sup> The construction of factories was not unique to Wales, but the autonomy of the Welsh Office enabled far greater activity and impact to occur. For example, central government's grant to its English Industrial Estates Corporation was £37.4 million in 1980-81, far less than the Welsh Office's grant of £65.1 million to the Welsh Development Agency in the same year, most of which was spent on industrial property.<sup>38</sup>

However, ongoing deindustrialisation and the rise of the service sector meant that the rationale for large scale programmes of factory building was no longer in place by the early 1990s. At the same time, the arrival of John Redwood as Secretary of State in 1993 signalled change, with the Welsh Development Agency's Chief Economist, Brian Morgan, stating later that the agency was told: 'you're interfering with the property market, you're undermining a vibrant private sector property market by all your interventions', so 'I want you to sell the lot.'<sup>39</sup> A large-scale disposal programme followed, with the agency's tangible assets reducing from some £274 million to £89 million between 1993—1994 and 1997—1998.<sup>40</sup> Overall, exceptionalism within factory construction was at its height in the early 1980s but by the mid—1990s, new attitudes within the Welsh Office combined with economic change to reduce the volume and impact of activities.

While foreign direct investment and property development had strong elements of exceptionalism, the picture was more mixed in relation to the third and fourth areas; urban regeneration and the provision of financial support to companies. The flagship for urban regeneration emerged in south Cardiff, comprising the large area once taken up by the export of coal, while the Welsh Office played a crucial role in enabling regeneration with developers benefiting from the way that the proximity of Welsh Office ministers and officials made liaising with them far easier than was the case in England.<sup>41</sup> For example, the Secretary of State intervened in the early 1980s when it appeared that progress on a development scheme was being impeded by disputes between the Labour run South Glamorgan Council and the Conservative run Cardiff City Council. He used his financial influence over local government to secure co—operation, with South Glamorgan’s chief planning officer recalling a ‘Conservative Secretary of State telling a Conservative councillor, “Don’t be so stupid, work with the county, don’t fight them.”’<sup>42</sup>

Momentum increased in 1986, with the Welsh Office’s establishment of the Cardiff Bay Development Corporation, a Welsh equivalent of the Urban Development Corporations being founded in England to tackle inner city problems. However, the creation of Cardiff Bay Development Corporation highlighted the importance of the Secretary of State’s role. After HM Treasury expressed doubts as to whether the project should proceed, Edwards wrote a private note to Margaret Thatcher threatening resignation, phrased as he would ‘find himself in a position of very great difficulty if agreement was not forthcoming’, after which funding was approved.<sup>43</sup> As well as this, local authorities were heavily involved in the development of plans for the area, had board representatives and kept planning powers over housing, transport and commercial developments.<sup>44</sup> This was different from elsewhere, where Urban Development Corporations with such powers were generally imposed on often unwilling



local authorities. Cardiff Bay's centrepiece was a £210 million barrage, designed to improve the area's physical appearance and investment prospects by creating a freshwater reservoir in place of tidal mudflats. Although local authorities were broadly supportive, there was large-scale public opposition. As a result, the barrage became the subject of seven separate bills and over a thousand hours of parliamentary debate, with construction not commencing until 1993.<sup>45</sup> Despite this, political support remained constant, with the Cardiff Bay Development Corporation Chairman recalling that he never had a 'disagreement or a disappointment' with Peter Walker,<sup>46</sup> while David Hunt stated in 1990 that he was 'wholly convinced that the project is central to the maximising of a remarkable opportunity'.<sup>47</sup> However, delays meant that the Cardiff Bay Development Corporation was behind schedule by 1997, although given the £360 million that had been allocated to the organisation by the Welsh Office since 1986—1987, a formidable momentum was in place that would produce results well after 1997, completely transforming the area's appearance and prospects.

While Cardiff Bay benefited from the Welsh Office's determination to use its powers and status to the fullest extent, there was little that was exceptional about other initiatives. These included the Urban Development Programme, launched in 1983 to fund public—private schemes to restore townscapes. However, central government also emphasised such schemes, with more than 200 urban improvement areas being in place throughout England by the mid—1980s.<sup>48</sup> Other initiatives also mirrored activities in England. Most notable was 1992's Ebbw Vale garden festival, with the Welsh Office choosing its location on a site formerly occupied by part of a steelworks. Despite this, the festival was a Welsh equivalent of one of a series throughout England under the leadership of Michael Heseltine, the interventionist Secretary of State for the Environment. Wales' three enterprise zones in Swansea, Milford Haven and Delyn also mirrored their English counterparts in their usage of

planning and tax—related concessions to attract investment, often with disappointing results. Finally, the Valleys Initiative, launched with great fanfare in 1989 as an £800 million development plan was little more than a compendium of existing schemes and initiatives collectively given a new identity for marketing purposes, some of which were even proceeding without Welsh Office support. For example, it was claimed in February 1989 that a business and retail park development in Caerphilly, expected to create up to 2,000 jobs, was proceeding thanks to the programme, before it emerged that the company behind the project had neither applied for, nor received, any government support.<sup>49</sup>

When providing financial support to companies, the Welsh Office simply acted as regional administrator for Regional Development Grant until its abolition by central government in 1988, by which time some £900 million had been awarded since 1979—1980. However, control over Regional Selective Assistance enabled a Welsh Office appointed board to choose which companies received the £990 million awarded between 1979—1980 and 1996—1997. Such grants were an important part of the 'Team Wales' approach to attracting investment with, for example, applications from 209 companies being approved in 1984—1985, expected to create some 10,000 new jobs.<sup>50</sup> Despite this, Welsh Office discretion over the scheme had limitations, with central government periodically redrawing the map of assisted areas throughout the UK. The 1993 revision switched resources towards parts of England, reducing the percentage of the working population of Wales living in assisted areas from 35 to 15 per cent. As well as this, the Barnett formula led to a steady reduction in the amount of regional aid awarded in Wales, dropping by almost a third in real terms between 1982—1983 and 1986—1987. However, the 1994 inclusion of Regional Selective Assistance in the Welsh Block granted the Welsh Office the powers to increase or decrease the level of funding.<sup>51</sup> This immediately highlighted the influence of the Secretaries

of State, with John Redwood more than halving the allocation before it was restored by William Hague.

In contrast to grants, the Welsh Office had total discretion over loans to companies, with activity being far more interventionist than was generally the case in England. Loans were provided to businesses throughout Wales by the Welsh Development Agency, which invested some £24 million in 300 companies between 1981—1982 and 1984—1985, a type and volume of assistance not available in the English regions.<sup>52</sup> While the agency was keen to make further investments, identifying viable opportunities in a depressed economy proved difficult, and the agency failed to record a positive cumulative return on its investment portfolio after 1982—1983. While this could have been problematic given the prevailing political orthodoxy within central government, Wales was different. Throughout the 1980s, the focus was on economic expansion and confidence building, with David Waterstone, Welsh Development Agency Chief Executive between 1983 and 1990, later stating that the agency was prepared to absorb losses as part of a drive to increase ‘levels of commercial spirit’.<sup>53</sup> However, this desire began to dissipate at the end of the decade as the economy appeared to recover. By 1989—1990, the agency had accepted that it was ‘difficult, if not impossible’ to invest in start-up or early stage businesses, and ‘make a positive return’.<sup>54</sup> This led to a full withdrawal from this area of activity in 1994—1995 and the end of any exceptionalism.

Finally, there was little that was exceptional about the fifth and sixth areas of activity; business support and land reclamation, although these areas were consistently prioritised by the Welsh Office. In relation to business support, the scale of activity was such that the Welsh Development Agency’s Small Firms Centre responded to enquiries from 17,000 individuals

or companies in 1985–1986,<sup>55</sup> while the Development Board for Rural Wales' seven business centres handled some 5,000 enquiries per annum by the 1990s.<sup>56</sup> In 1996, the Welsh Office established the Business Connect service to provide a more centralised business advice service, although the Welsh Development Agency provided additional services across sourcing and supplier development, technology support and skills.<sup>57</sup> However, there was little to differentiate services in Wales from those elsewhere with the creation of Business Connect lagging behind that of England while it was largely based on the Scottish equivalent.<sup>58</sup> In relation to the reclamation of land left derelict by industry, such activity had been a Welsh Office priority since the Aberfan disaster of 1966 and was enthusiastically continued after 1979. Between 1979–1980 and 1989–1990, some 3,300 hectares (32 sq. kilometres) were reclaimed.<sup>59</sup> In 1990, the Welsh Office announced that it aimed to have reclaimed all derelict land in Wales by 2000, defined as an area 'equivalent in size to the combined built up areas of Cardiff, Newport and Swansea'.<sup>60</sup> In mid–1994, the National Audit Office issued the findings of its investigation into the agency's reclamation programme, noting that it was good value for money and 'widely recognised as a notable achievement'.<sup>61</sup> Although Secretaries of State were keen to see rapid progress and prioritised reclamation projects, many of which produced dramatic results, reclamation of derelict land tended to be a priority where it occurred and was not confined to Wales.

While the Welsh Office presided over intervention of a volume and type that would not all have occurred in the absence of administrative devolution, exceptionalism was limited in terms of policy instruments, virtually all of which were similar to those used in England, as was the case for other areas such as housing and education.<sup>62</sup> However, while the instruments may often have been similar, circumstances combined to create some exceptionalism within intervention such as foreign direct investment, factory construction and Cardiff Bay. These

included the ability of the Welsh Office and its agencies to set their own priorities and budgets, as well as the Secretary of State's willingness to use his broader powers to co—ordinate and direct public sector activity. At the same time, regionalism and the development of strategies and approaches to sub—national economic problems in England fell out of favour after 1979, in part due to central government's hostility to economic planning and its promotion of market orientated solutions.<sup>63</sup> As a result, regional structures in England did not exist until 1995, when government offices for the regions were established with some powers over regeneration. Importantly, while the creation of regional development agencies in England (modelled on the Welsh example) was often mooted, this did not happen before 1997. Overall, while exceptionalism did exist within elements of economic development, it arguably had more significance within presentational politics, as reflected by the political personalities of the Secretaries of State.

## SECRETARIES OF STATE

Nicholas Edwards, the first Conservative after 1979, was the first and only Secretary of State to sit for a Welsh constituency (Pembrokeshire). While he was wholly loyal to Margaret Thatcher, his views were generally pragmatic, announcing to the House of Commons in 1980 that he had 'never been a great observer and follower of any specific, extreme economic theory',<sup>64</sup> while Rhodri Morgan later said that 'you wouldn't have said he was one nation, but you wouldn't have called him an out and out Thatcherite'.<sup>65</sup> Such differences were to play a pivotal role in economic development. In 1980, the *Financial Times* went as far as to call Nicholas Edwards 'an arch exponent of regional policy'.<sup>66</sup> It was during his time in office that the architecture of exceptionalism began to take shape, with his eight years in post being by far the longest of any Conservative Secretary of State. While he

supported the broader Conservative thrusts of deregulation and privatization, he was willing to use the agencies inherited from the previous Labour administration to their fullest extent. He saw no contradiction between the two, stating that ‘all the paraphernalia of grants, agencies and advance factories are useless if the economic climate is such that the government makes profit impossible’.<sup>67</sup>

Despite this, some tension was inevitable and can be illustrated by a speech given to the Cardiff Business Club in 1985. Described as ‘astonishingly bitter’ by the *Financial Times*,<sup>68</sup> it began with an approving reference to Martin Wiener’s book, *English Culture and the Decline of the Industrial Spirit 1850–1980*. The book’s thesis that the failures of British industry were symptoms of economic, political, social and cultural malaise fitted with Conservative thought in the 1980s, which was determined to sweep away what it saw as elitist and defeatist attitudes to wealth creation. Edwards castigated the City of London for what he saw as its negative views of Wales, where there were ‘no capable businessmen’ and that there was ‘nothing to be seen but decaying coal mines, run—down steelworks and slagheaps’. He went on to attack the ‘prejudice, ignorance, and striking lack of awareness’ displayed by those working in the City towards any area ‘outside their own experience’, before stating that ‘it is our central aim to use the machinery we have and the funds at our disposal to act as a lead and catalyst for the growing investment and participation of the private sector.’<sup>69</sup> This speech acted as the defining text of exceptionalism, with Edward’s variant motivated by the impact of economic decline, as opposed to any desire for personal advancement on the UK’s political stage. It used powerful rhetoric, but in reality the ambition was limited, focusing on using existing machinery to intervene and enable self—sustaining private sector growth, as opposed to any extension of the state’s economic role.

The appointment of Peter Walker, MP for Worcester, as Secretary of State in 1987 brought about an intensification of interventionist rhetoric, even if many of the measures were little changed from those promoted by Nicolas Edwards. He was a prominent ‘wet’ as well as a self—declared ‘One Nation’ Conservative.<sup>70</sup> He welcomed intervention, stating that Margaret Thatcher had ‘failed to create the right relationship between government and industry’, instead adopting a ‘free trade attitude belonging to another century’.<sup>71</sup> He was perceived as the one great survivor of Heathite Conservatism, while his continuation in government was assured as he was seen as being too politically dangerous to return to the backbenches. According to Peter Walker, ‘the big attraction of the Welsh Secretary’s job was that I was told by Margaret Thatcher that ‘I could do it my way’.<sup>72</sup> One of his first acts was to tour the Valleys, before presenting ten regeneration ideas to his somewhat awed staff, ranging from a subsidised house painting scheme to developing a hotel and golf course on the bleak and windswept Rassau plateau above Ebbw Vale.<sup>73</sup> However, rhetoric sometimes outpaced reality, as was the case with the Valleys Initiative. Overall, *The Times* correctly pointed out that Wales was an ‘ideal laboratory for the Walker—Heseltine ideal of industrial regeneration’, wryly noting that ‘Thatcherism bleakly wishes the whole place would decamp to a green—field site near Woking.’<sup>74</sup>

When Peter Walker stood down in 1990, he was replaced with David Hunt, MP for Wirral and Secretary of State between 1990 and 1993. Describing himself as a ‘pragmatic progressive’, the politics of the Welsh Office were later highlighted when Michael Heseltine claimed that all three of its ministers voted against Margaret Thatcher in the 1990 leadership election.<sup>75</sup> While David Hunt had a quieter political personality than his predecessor, both shared a similar political philosophy based on an acceptance that the state has a broad role to play in economic and social regeneration. The broad thrusts of intervention thus remained

unchanged, with the Welsh Office strongly supporting the attraction of inward investment, the reclamation of land made derelict by industry and the development of Cardiff Bay. Differences between the approach of the Welsh Office and central government were later highlighted by Ron Davies, Labour's Shadow Secretary of State between 1992 and 1997:

Peter Walker was Energy Minister during the time of the miners' strike, before he became Secretary of State, and so we had lots of conversations with him, and we knew that he was deeply concerned about the consequences of what was happening in the miners' strike [...] So we knew where he was politically. The same with David Hunt, it was perhaps no more than a raised eyebrow or, you know, the off guard comment that he would make, but you knew that there was a real political gulf between what they wanted and their aspirations, and the dry Thatcherite agenda.<sup>76</sup>

However, this consensus was challenged by John Redwood, MP for Wokingham and Secretary of State from 1993. He held right—wing views and had been Chief Policy Advisor to Margaret Thatcher. His appointment was roundly condemned by opposition parties and commentators who perceived him as an aloof 'viceroy on the make',<sup>77</sup> whose 'only link with Wales is the M4', while footage of his unsuccessful attempt to sing the national anthem at a Welsh Conservative Conference passed into political folklore. In ideological terms, John Redwood had little time for existing interventionist policies which he felt had run their course; 'the wounds created in Wales by the collapse of traditional industries are healing. Development agencies have been necessary bandages' as 'they assist recovery but the healing comes from within from the talents, energies and ideas of people and the businesses they set up or attract.'<sup>78</sup> He also believed that the state's economic role had been too great, and had turned Wales, in the words of his advisor Hywel Williams, into a 'fantasy land of Keynes—



by—Sea’.<sup>79</sup> Instead of intervention, economic growth was facilitated by greater competition, privatisation, tax reductions and market flexibility.<sup>80</sup> In practical terms, the approaches which had characterised exceptionalism were reversed. Grant to the Welsh Development Agency was heavily reduced and it was instructed to sell much of its land and property portfolio, the Development Board for Rural Wales was only saved from a merger with the Welsh Development Agency due to a lack of parliamentary time, Regional Selective Assistance budgets were reduced and the Welsh Office became temporarily unwilling to offer investors large grant packages to locate in Wales. While his impact was noticeable, his period in office was short, resigning in mid—1995 to challenge unsuccessfully for the Conservative leadership.

John Redwood’s successor was William Hague, MP for Richmond in Yorkshire since 1989. This was his first cabinet post and he soon demonstrated that his political and administrative instincts were a good deal less radical than his predecessor, restating the role of the Welsh Office within economic development. The cuts in grants to the Welsh Development Agency were reversed, while he was instrumental in assembling a large-scale package of grant support to the ill—fated LG investment in Newport, which had promised to create thousands of jobs but failed to create more than a fraction. Despite this, key Conservative themes of deregulation and enterprise were heavily emphasised with, for example, his 1996 White Paper on rural development aiming to ‘lift the burden of red tape on farmers and rural businesses’, to ‘recreate that vital spirit of enterprise that makes rural life possible’.<sup>81</sup> However, he spent less than two years in office, with his role ending when the Conservatives lost power in 1997.

## **DRIVERS OF EXCEPTIONALISM**

The study of territorial politics in the 1980s and 1990s has centred on centre-periphery relations, with theoretical debate focusing on issues including the extent to which these were driven by differing values within elites and the specificity of economic, cultural and political factors.<sup>82</sup> Differences of values between politicians within core (central government) and periphery (the Welsh Office) institutions did exist but only as different strands of Conservative thought, although the Welsh Office's administrative culture was more interventionist than that within Whitehall. In interpreting Welsh exceptionalism within the parameters of this debate, three drivers can be identified, comprising: first, the ability of the Secretary of State to marshal the public sector behind his policy objectives; second, the institutional dynamic caused by the momentum of existing institutions; and finally, the political views and ambitions of each Minister. First, the Secretary of State for Wales was a 'king',<sup>83</sup> with either full authority or some influence over much of the public sector in Wales. He could marshal the various public bodies such as the Welsh Office, development agencies and those in local government behind an integrated programme of economic development. This did not happen in the English regions, as there were no regional equivalents to the Welsh Office and its ministerial leadership. All Secretaries of State, with the exception of John Redwood, broadly followed the same approach in terms of using their position to co-ordinate and promote intervention. While the clearest example was the drive to attract foreign direct investment, it was also apparent in other areas. Overall, the importance of the Secretary of State's role was described by a Welsh Development Agency Director of Property as:

We all used to sit together to talk about how intervention could be improved. And that was chaired by David Hunt. So these small, but vitally important issues, ultimately

depended on the prowess of the Secretary of State. So I can't overemphasise just how important that role was.<sup>84</sup>

Second, the existence of the Welsh Office and development agencies created an institutional dynamic where the existence and momentum of interventionist agencies made further intervention more likely. The culture of the Welsh Office throughout the 1970s was often recognised as being interventionist,<sup>85</sup> reflecting the scale of state involvement in the post-war economy. At the same time, this dynamic was also shaped by the more traditionally left of centre politics in Wales, with this creating a climate where interventionism was seen as the correct reaction to economic change. Secretaries of State found themselves in an environment that led them towards greater intervention. This inevitably impacted on their behaviour, with a Welsh Development Agency Board member noting that they tended to 'go native', wanting to 'leave the place better than when I found it'.<sup>86</sup> However, any desire to placate nationalism barely featured in this process for much of the period, given the scale of the referendum defeat in 1979. Nationalist and pro-devolutionary forces did not regain significant ground until the early 1990s, by which time the dynamics of exceptionalism were well established.

At the same time, the lure of positive public relations was irresistible, with Lord Morris justifiably arguing that while Conservative Secretaries of State firmly rejected any hint of extending state control into the private sector, they supported the continuation of the agencies partly because of the political 'glory' associated with announcing investments such as large factories.<sup>87</sup> As a result, most Secretaries of State allowed economic development organisations to continue along lines similar to those established in the 1970s, and were enthusiastic about promoting a Welsh equivalent to the urban development corporations

established in England. The only exception to this consensus was John Redwood. His policy advisor later admitted that the Welsh Office under his leadership resisted the 'sordid scramble' of bidding against other regions for investment projects,<sup>88</sup> while Redwood also claimed that he had been able to return part of the Welsh Office's budget allocation to HM Treasury as it was not needed. However, the difficulties of pursuing policies not in keeping with established institutional norms were highlighted by Ron Davies who recalled a conversation with a 'senior civil servant when I was Secretary of State' who said that John Redwood 'was very happy to think that he'd done it [sent money back] but we wouldn't have done that, we wouldn't have sent the money back, would we?'<sup>89</sup>

Finally, the individual political philosophies and ambitions of the Secretaries of State was inevitably reflected in the way in which economic development was prioritised. In terms of political philosophies, all bar John Redwood were either One Nation (Peter Walker and David Hunt) or pragmatists (Nicholas Edwards and William Hague). While the One Nation Secretaries of State had a more enthusiastic approach to trumpeting the desirability of state intervention than the pragmatists, all were united by their desire to use the Welsh Office and its agencies to play a prominent role in economic development and acted accordingly. In terms of political ambitions, Nicholas Edwards was content to retire both from the cabinet and the House of Commons in 1987. Although both David Hunt and William Hague had further ambitions, with the former moving to the more senior position of Secretary of State for Employment in 1993 and the latter assuming the leadership of the Conservative Party in 1997, they did not seek to use their post to advertise their ambitions beyond establishing a reputation for competence.

However, Peter Walker and John Redwood were very different. Both had broader ambitions, and used their post as Secretary of State to advertise this, albeit in very different ways. Peter Walker's impact was accentuated by his role on the UK's political stage, where he was viewed as a potential challenger to Margaret Thatcher. He realised that the freedom of manoeuvre accorded to the Secretary of State gave him an ideal opportunity to use Wales as a test bed for his style of interventionist politics, and thus mount an implicit challenge to prevailing Conservative policy. It was commonly assumed that he accepted the position on the basis that he would be left alone in return for an understanding that he would not challenge Margaret Thatcher. According to Dafydd Wigley, the president of Plaid Cymru throughout the early 1980s and the 1990s, exceptionalism 'was self-serving, but that didn't necessarily mean that it wasn't happening' as Peter Walker was taking 'great joy from doing things differently wherever he could'.<sup>90</sup> While Peter Walker promoted a vision of Conservatism to the left of the then Prime Minister, John Redwood did the opposite. He used his cabinet position and the ability of the Secretary of State to speak on a wide range of issues given the breadth of his responsibilities to promote a strongly Thatcherite 'small state' view that could promote his leadership ambitions. His views presented a clear alternative to Prime Minister John Major's relatively centrist approach, with his advisor, Hwyl Williams, claiming that the Secretary of State was 'emboldened to see in Wales fertile ground for a distinctive set of policies that would be an implicit commentary on the wider fortunes of Conservatism'.<sup>91</sup>

Finally, there is the question of why Secretaries of State were allowed a relatively free hand. In general, this was due to the relatively limited powers of the Welsh Office, a lack of interest in what was a small part of the UK and a sense that the post could be used safely as a place of internal exile for political opponents. Margaret Thatcher's personal lack of interest in

Wales was also apparent. In the words of Nicholas Edwards, it was 'alien territory, far from the England that she knew and understood'.<sup>92</sup> At the same time, this lack of interest was also pragmatic, given the way in which the relatively limited powers of the Secretary of State reduced his ability to cause her any significant difficulties. While the lack of interest continued after 1987, the dynamic was somewhat different with Peter Walker. He owed his position, and the relative freedoms associated with the post, to the Prime Minister's desire to forestall any further political mischief. John Major's appointments of David Hunt and William Hague mirrored Margaret Thatcher's appointment of Nicholas Edwards, with both being seen as reliable and broadly supportive in political terms. Lastly, the use of the Welsh Office as a place in which to place troublesome opponents emerged again in the mid-1990s, with John Redwood's eventful time in office.

### **THE POLITICAL IMPACT OF EXCEPTIONALISM**

While all Secretaries of State saw the economy as their major policy focus and were firmly opposed to political devolution, the drive for an elected National Assembly to take control over the Welsh Office gradually reappeared within political discourse in the late 1980s and beyond. The case for such a body rested on ensuring greater democratic accountability as well as enabling the development and implementation of policies more attuned to Wales. While the popularity of the newly formed Labour Government was a crucial factor in securing a narrow yes vote in the 1997 referendum, exceptionalism was also used to justify both parts of the devolutionary case. By the late 1980s, the declining electoral fortunes of the Conservative Party meant that it was increasingly short of personnel with some democratic credibility that could be nominated for board positions on the Welsh Office's agencies. This led to a patronage system that was widely seen as undemocratic, as

the people being put forward tended to have strong links to the Conservative Party. Meanwhile, the legitimacy of a system where appointments were in the hands of a party with a shrinking share of the vote was increasingly questioned. This was an important element of a broader disenchantment with Conservative control over the Welsh Office, symbolised for Ron Davies by a piece of graffiti in the traditionally Labour voting south Wales Valleys that appeared the day after the 1987 election reading: ‘we voted Labour, but got Thatcher.’<sup>93</sup>

At the same time, the rhetoric around exceptionalism propelled the economic development quangos to a status as flagship organisations. This high profile meant that they were now highlighted as symbols of a democratic deficit, seen as being too close to the Conservatives and became political targets. This was accentuated for the Welsh Development Agency by the buccaneering style of its Chairman, Gwyn Jones, praised as a ‘marvellous chap’ by Margaret Thatcher in 1989 during a visit to the Rhondda. Throughout the 1990s, the Welsh Development Agency and the Development Board for Rural Wales were enmeshed in governance scandals as while their operational performance was strong, breaches of management protocols were magnified in a hostile political climate. Both were subject to bruising inquiries carried out by the Public Accounts Committee of the House of Commons. Its 1993 report on the Welsh Development Agency in relation to issues such as expenses, appointments and pension arrangements was particularly scathing, describing events as ‘a catalogue of serious and inexcusable breaches of expected standards of control and accountability’.<sup>94</sup> The way in which exceptionalism had led the economic development quangos into assuming a high profile now worked against them, as they became symbols of what was characterised by the government’s political opponents as an unaccountable, undemocratic and uncontrolled quango state.

Ironically, while the anti—devolutionist Secretaries of State often promoted exceptionalism to further their own careers, those in favour of political devolution used this rhetoric to promote their cause. They argued that the existence of a semi—autonomous policy capability demonstrated that political devolution had a solid and proven administrative base on which to build further interventions. At the same time, economic change also supported the devolutionist cause. In 1979, the industrial economy of Wales was largely comprised of either the state—owned coal and steel industries, or privately owned factories that had been attracted to Wales by governments’ regional policy. However, the loss of much of this economic base during the 1980s removed the fear apparent in the previous decade that any loosening of central political control posed a risk to the economy. In the words of Ron Davies, the Labour politician who did most to deliver devolution, the 1980s and 1990s saw a:

Strengthening of the idea that we in Wales had to take more and more responsibility for ourselves. That we couldn’t just rely on the command economists of London to provide jobs in terms of coal and steel and transport and so on, the big nationalised industries in the public sector.<sup>95</sup>

The extent to which the desire to rejuvenate the economy fed into the drive for political devolution within the administrative elite was reflected in the decision of a former Welsh Development Agency Chief Executive, David Waterstone, to join the ‘Yes for Wales’ steering committee established to lead the ‘yes’ campaign during the referendum campaign.<sup>96</sup> As a result of these dynamics, interaction between accountability and economic development was a central focus of the post—1997 Labour Government’s White Paper setting out its proposals for devolution. It stated that ‘unelected bodies (quangos) like the WDA [Welsh Development Agency]’ constituted a ‘democratic deficit’ that would be addressed by the



establishment of an elected body, while ‘one of the Assembly’s most important tasks will be to provide clear leadership and strategic direction to boost the Welsh economy’.<sup>97</sup> Overall, the high profile of economic development agencies was used as a vehicle with which to expose the partly undemocratic nature of the political settlement. At the same time, an interventionist structure had been created that was seen to be working, thus providing the basis for further intervention under an elected assembly.

## **CONCLUSIONS**

While exceptionalism existed, its practical impact on economic development should not be overstated. Its focus was on the extent to which the Secretaries of State were able to use their position and autonomy to marshal interventions, as opposed to the creation and implementation of policies at odds with central government. This was accompanied by a willingness to work closely with local government and trade unions that was not matched by central government, most notably in relation to the attraction of foreign direct investment. The exception to this consensus was of course John Redwood, but even his rapid reversal of interventions acted to highlight the degree to which the Secretary of State had autonomy over devolved areas. At the same time, the rhetoric of exceptionalism acted to obscure the lack of significant differences between even the most interventionist Secretaries of State and central government on the great economic issues of the time. Moreover, the long roll—call of factories constructed, investment attracted and businesses advised hides the fact that the Welsh Office’s economic powers were in reality limited.

At the same time, exceptionalism was generally motivated by the existence of an interventionist structure as well as the individual political personalities and ambitions of the

Secretary of State, as opposed to any desire for greater autonomy. While Nicholas Edwards was determined to use the powers inherited from the previous government to offset economic crisis and had no further ambitions, other Secretaries of State used their position as a stepping stone to greater things. John Redwood challenged the leadership from the right, Peter Walker did the same but from the left while David Hunt and William Hague sought to build a reputation based on competence as opposed to ideological positioning. Finally, the most important impact of exceptionalism was not economic, but rather in the way it inadvertently and ironically acted to legitimise calls for greater devolution. This greatly assisted the long drive for political devolution that eventually culminated in the ‘yes’ vote in the 1997 referendum and the subsequent creation of the National Assembly for Wales.

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## Notes

- [1] David Hunt was also Secretary of State for a short 'caretaker' period after John Redwood resigned in 1995.
- [2] *Wales on Sunday*, 25 November 1990, cited in Griffiths, 'The Welsh Office and Welsh Autonomy'.
- [3] Interview with Lord Crickhowell, Conservative MP for Pembroke (1970–1987), Secretary of State for Wales (1979–1987), 14 December 2011.
- [4] ‘Springing Out of Exile – Peter Walker’, *Sunday Times*, 16 April 1989.
- [5] Griffiths. ‘The Welsh Office and Welsh Autonomy’, p. 793.
- [6] Johnes. *Wales since 1939*, p. 321.
- [7] Deacon. *The Governance of Wales*, p. 39.
- [8] L.J. Williams, ed. *Digest of Welsh Historical Statistics 1974-1996*, pp. 138-139.
- [9] *First Report From the Committee on Welsh Affairs*, p. viii.
- [10] *Western Mail*, 'PM's Bombshell, Welsh Secretary Plan Rejected', 2 August 1946, p. 1.
- [11] Rowlands. ‘Whitehall’s Last Stand’, p. 39.
- [12] Thomas. *George Thomas, Mr Speaker*, pp. 96–97.
- [13] National Library of Wales (Hereafter NLW), John Morris Papers. A1/30. *Memorandum from the Secretary of State for Wales*.
- [14] Morris. *Fifty Years of Politics and the Law*, pp. 129-130.
- [15] *Digest of Welsh Statistics*, No. 27, pp. 126-127.
- [16] Interview with Lord Morris, Labour MP for Aberavon (1951–2001), Secretary of State for Wales (1974–1979), 21 March 2012.
- [17] Morgan. *Cardiff: Half and Half a Capital*, p. 30.

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- [18] National Archives (Hereafter NA), Coal. 76/3201, *Letter from Derek Ezra to Philip Weekes*, 27 May 1981.
- [19] NA, Coal. 76/3201, *NCB Memo-Discussions with the Welsh Office*, 12 June 1981.
- [20] NLW, Crickhowell Papers, 3/13. *Untitled Memorandum to the Prime Minister* (1980)
- [21] Morgan and Mungham. *Redesigning Democracy*, pp. 58-61.
- [22] Named after Joel Barnett, the Chief Secretary to the Treasury in the previous Labour Government.
- [23] Parry. 'Giving Direction to the Welsh Office', in *Ministers and Ministries, A Functional Analysis*, edited by Rose, p. 178.
- [24] Margaret Thatcher Archives, *Edwards Minute to MT (public expenditure in Wales)*.
- [25] Department for Trade and Industry, *FDI Project Announcements Database* [unpublished data]
- [26] Cole. 'Introduction', in *The New Wales*, edited by Cole, p. 10.
- [27] Interview with Jim Driscoll, Industrial Advisor to Secretary of State for Wales (early 1980s), 1 March 2012.
- [28] Interview with Ken Poole, Economic Development Officer at South Glamorgan County Council (1980s), 19 October 2011.
- [29] Interview with Roger Beaumont, Director Economic Development, South Glamorgan County Council (until 1993), 30 November 2011.
- [30] Jenkins. *Sleeping with the Enemy*, p. 1.
- [31] Oliver and Wilkinson, 'Japanese Inward Investment in Wales–Trade Union Response', p. 48.
- [32] Interview with John Sweet, Welsh Office Industry Department Case Officer (early 1990s), 3 November 2011.
- [33] *Protecting Public Money in the LG Projects*, p. 6.
- [34] Walker. *Staying Power–An Autobiography*, p. 217.
- [35] Interview with Lord Crickhowell.
- [36] NA, PREM. 19/97, *Letter From Keith Joseph to Nicholas Edwards* (9th November 1979)
- [37] *LaW Annual Reports*, Various editions.
- [38] Hansard, *HC Deb 07 December 1981 vol 14 cc570-1*; *WDA Annual Report, 1980-81*, p. 35.
- [39] Interview with Brian Morgan, WDA Chief Economist (1991–1997), 1 December 2011.
- [40] *WDA Annual Report 1997-98*, p. 46.
- [41] Johnes. 'Cardiff, the Making and Development of the Capital City of Wales', *Journal of Contemporary British History*, p. 523.
- [42] Interview with Ewart Parkinson, Director of Environment and Planning, South Glamorgan County Council (1974–1985), 17 April 2012.
- [43] NA, PREM, 19/1921. *Personal Note from Nicholas Edwards to Margaret Thatcher*, 28 November 1986.
- [44] Interview with Paddy Kitson, Chair of the South Glamorgan County Council Economic Development Committee (1980s), CBDC Board Member (late 1980s), 30 November 2011.
- [45] Best. *A Whim Set in Concrete*, p. 7.
- [46] Interview with Sir Geoffrey Inkin, CBDC Chairman (1987-2000), 1 July 2012.
- [47] *CBDC Annual Report 1989-1990*, p. 1.
- [48] Wren. *Industrial Subsidies-the UK Experience*, p. 119.

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- [49] Hansard, *HC 1 March 1989, Vol. 148, c.351*.
- [50] *Industrial Development Act 1982–Annual Report 1984-85*, p. 11.
- [51] Griffiths. *Thatcherism and Territorial Politics*, p. 53.
- [52] Hansard HC, 17 June 1985, Vol. 81, c. 11 (answer to written question).
- [53] Interview with David Waterstone, WDA Chief Executive (1983–1990), 6 January 2012.
- [54] TNA, WA 8/166, *WDA Board Papers*, May 1990.
- [55] *WDA Annual Report 1985–1986*, p. 16.
- [56] *DBRW Annual Report 1989–1990*, p. 9.
- [57] Morgan and Henderson. 'The Fallible Servant', p. 85.
- [58] Bristow and Munday. 'Economic Development Co-ordination in the Periphery', p. 714.
- [59] *WDA Annual Reports*, Various editions.
- [60] *WDA Annual Report 1991–1992*, p. 25.
- [61] National Audit Office. *Land Reclamation in Wales*, p. 7.
- [62] Griffiths. *Thatcherism and Territorial Politics*; Griffiths, 'The Welsh Office and Welsh Autonomy'.
- [63] Sharpe. *British Regionalism and the Link with Regional Planning*, p. 131.
- [64] Hansard HC, 10 November 1980, Vol 992, col 17 (debate).
- [65] Interview with Rhodri Morgan, MP for Cardiff West (1987–2001), Front Bench Spokesman on Welsh Affairs (1992–1997), First Minister (2001–2009), 13 December 2011.
- [66] 'Business-like Approach to Problem', *Financial Times*, 4 August 1980.
- [67] NLW, Crickhowell Papers. 3/11. *Speech at Cardigan, November 1978*.
- [68] 'Minister Attacks City. Welsh Secretary Urges Investment by London Institutions', *Financial Times*, 9 March 1985.
- [69] NLW, Crickhowell Papers 2/9. *Speech by Nicholas Edwards to Cardiff Business Club*.
- [70] 'Working for the People of Wales', *Western Mail*, 23 June 1987.
- [71] Walker. *Staying Power–An Autobiography*, p. 212.
- [72] Walker. *Staying Power–An Autobiography*, p. 202.
- [73] NA, BD 96/3, *Internal Welsh Office Note*, 2 February 1988.
- [74] Jenkins, 'Walker Invokes Glendower's Spirit', *Sunday Times*, 19 June 1988.
- [75] Heseltine. *Life in the Jungle*, p. 365.
- [76] Interview with Ron Davies, Labour MP for Caerphilly (1983–2001), Secretary of State for Wales (1997–1999), 7 March 2011.
- [77] Osmond. *Welsh Europeans*, p. 67.
- [78] Redwood. *Views From Wales*, p. 21.
- [79] Williams. *Guilty Men*, p. 52.
- [80] Redwood. *Views From Wales*, p. 5.
- [81] *A Working Countryside for Rural Wales*, p. 1.
- [82] Bulpitt. *Centre-Periphery Relations*; Bradbury. 'The Political Dynamics of Sub-state Regionalisation: A Neo-functionalist Perspective and the Case of Devolution in the UK'.
- [83] Morgan and Mungham. *Redesigning Democracy*, p. 61.

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- [84] Interview with Ian Rooks: WDA Property Development Director, Executive Director, Marketing (1983–1994), 1 November 2011.
- [85] Interview with Rhodri Morgan.
- [86] Interview with Garel Rhys. WDA Board Member (1994–1998), 5 November 2012.
- [87] Interview with Lord Morris.
- [88] ‘Ministers Play Tug-of-War Over Korean Factory’, *Independent*, 2 June 1996.
- [89] Interview with Ron Davies.
- [90] Interview with Dafydd Wigley, Plaid Cymru MP for Caernarfon (1974–2001), President (1980–1984, 1991–2000), 11 August 2012.
- [91] Williams. *Guilty Men*, p. 51.
- [92] Edwards. *Wales, Westminster and Water*, p. 51.
- [93] Davies. *Devolution: A Process not an Event*, p. 4.
- [94] *House of Commons Public Accounts Committee-Welsh Development Agency Accounts 1991–92*, p. viii.
- [95] Interview with Ron Davies.
- [96] Andrews. ‘The ‘Yes’ for Wales Story’, in *The Road to the National Assembly for Wales*, edited by Jones and Balsom, p. 53.
- [97] *A Voice for Wales. The Government’s Proposals for a Welsh Assembly*, pp. 7, 11.

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