From little acorns…

The fall and rise of devolution in the Wales Labour Party: 1979-1995

LEE WATERS
May 1998
The following is the unaltered manuscript of my undergraduate dissertation from May 1998 written whilst a student at the University of Wales, Aberystwyth. I have resisted the temptation of revisiting the judgments and updating the research in the event of subsequent events.

Lee Waters
February 2012

Acknowledgements

The fall and rise of devolution in the Wales Labour Party: 1979-1995, is an ambitious subject to tackle in an undergraduate dissertation. The task is complicated by the fact that there is very little published on the subject. Much of my research therefore has involved consulting Primary sources of evidence and oral testimony. This in-turn is further complicated by the fact that many of the figures involved are both reluctant to discuss the matter on the record and furthermore are difficult to access because they occupy positions of responsibility.

I have been very fortunate however in securing oral interviews with a number of the key personalities. I would particularly like to thank Ron Davies, the Secretary of State for Wales, for making the time during a hectic referendum campaign to give me a formal interview and also for the countless casual conversations which have informed this dissertation. I would also like to thank Neil Kinnock, the European Commissioner for Transport and former Leader of the Labour Party. Mr Kinnock has been kind enough to give me two lengthy interviews, as well as trusting me with sensitive information. I must also thank all of the people who found time to be interviewed – their names are listed in the bibliography.

I would like to thank Anita Gale, General Secretary of the Wales Labour Party, and Dr Andrew Bold, Assistant General Secretary of the Wales Labour Party, for allowing me access to the Party records both in the National Library of Wales and in Transport House in Cardiff. Unfortunately the records covering the period after the 1992 General Election, including those of the Policy Commission, are embargoed. As a result my account of this period has had to rely solely on oral testimony.

I must also thank Dr Alan Williams, MP for Carmarthen East, and Huw Edwards, MP for Monmouth, for their encouragement. Similarly I am grateful to Dr Richard Wyn Jones. I am also indebted to Bethan Lewis for allowing me to use some of the interviews which she has carried out.

In the tradition of an acknowledgement page it is incumbent upon me to acknowledge that in the event that there are any errors (heaven forbid) they are, alas, my own.
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Introduction

On March 1 1979, just 12% of the Welsh electorate supported the establishment of an elected Welsh Assembly. The proposal of the Labour Government to create an all-Wales tier of Government was “tossed into a ditch of irrelevance”, in Gwyn Alf Williams’s phrase.¹

The defeat of the Labour Government’s proposals by a majority of 4 to 1 on St David’s day 1979 had far reaching consequences. The result “sealed the fate of the minority Labour Government”, according to Vernon Bogdanor². As a direct result of the defeat of the referenda in Wales and Scotland, the Nationalist parties withdrew their support for the Government. In the House of Commons on the 28th March 1979 the Labour Government was defeated on a motion of confidence by one vote, and a Government was brought down for only the second time this Century.

The Labour Party was to be out of office for eighteen years. The Party’s defeat in the 1979 General Election precipitated a civil war within its own ranks and witnessed a departure by the Conservative Government from the consensus on social policy and economic management established by the Attlee Government in the aftermath of the Second World War. The effect on the self-confidence and psyche of the Labour Party in Wales cannot be exaggerated. After a long, tentative and painful process of agreeing a policy, devolution was ignominiously rejected by the voters, indeed by Labour supporters.

At a meeting of its Executive Committee just four days after the vote, a statement was adopted expressing the deep disappointment of the Party at the result of the Referendum:

The people of Wales were offered the opportunity to accept responsibility, through elected representatives, for a very wide range of services, which are now being run by selected people and by civil servants.

This offer was rejected by a very large majority...

The vote in the Referendum solves none of the problems of Wales or Britain. The problems which the Assembly was designed to deal with, will still remain.

Historians invariably see March 1st 1979 as a watershed in Welsh political history. Kenneth Morgan judged that Welsh self-confidence had been delivered a severe blow, “The whole affair seemed to represent the end of an era”, he lamented. Others have commented that the result “seriously weakened the Welsh political and cultural establishment”. For Gwyn Alf Williams the result represented a slap in the face for the elites, “the most visible and creative formers of educated opinion among the Welsh were rejected by their people”, he argued.

The Secretary of State for Wales at the time, John Morris, was equally grandiloquent; the scale of the defeat led him to remark, “When you see an elephant on your doorstep you know it is there”. In sum, the result shook the Welsh political establishment to its foundations.

On the 18th September 1997- just eighteen and a half years after devolution was dismissed by the electorate - similar plans for an elected Assembly were laid before the people of Wales and were narrowly approved. In the early hours of the following morning a relieved

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3 Statement adopted by the Wales Labour Party Executive Committee meeting. on 5th March 1979. Confidential. (Labour Party Wales minutes 1979-81, Wales Labour Party Archives, NLW)
Ron Davies, Secretary of State for Wales, declared that the result marked “one of the most important days in the history of Wales”;

Eighteen years ago the proposal for devolution was defeated by four to one. Tonight’s Yes vote is a stunning turn around.\(^8\)

In this dissertation I will look at how the policy of devolution re-emerged onto the agenda of the Labour Party in Wales following the crushing defeat of the 1979 referendum. I will look at the events, forces and personalities that led the Labour Party to re-establish its policy of a Welsh Assembly. I will take my examination up to the publication of *Shaping the Vision* in May 1995, which formed the basis for the Labour Party’s election manifesto commitment to legislate in their first year for a Welsh Assembly.\(^9\) Although there were significant changes to the Labour Party’s policies after this time, namely the commitment to hold a pre-legislative referendum and the decision to include ‘an element of proportionality’ in the electoral system for a Welsh Assembly, the powers of the Assembly remained unchanged. I have concentrated on the period from 1979-1995, partly for reasons of space and manageability, and partly because there is some discussion of the events after 1995 in the academic literature, while there is very little covering the period which I intend to examine.

I will begin this dissertation by arguing that the issue of a Welsh Assembly was ‘dead in the water’ inside the Wales Labour Party during the mid-1980s. As result of the damaging divisions, which emerged during the debates over devolution during the 1970s, and as a result of the crushing defeat in the 1979 referendum, the issue of a Welsh Assembly was “a

\(^8\) ‘Ron Davies welcomes Yes vote in the Referendum’ National Assembly for Wales Website. http://www.open.gov.uk/

painful memory best forgotten”\textsuperscript{10}, for most party activists. As Denis Balsom and Barry Jones point out, “Devolution ceased to exist as a policy option; it was not even debated in Welsh Labour Conferences.\textsuperscript{11}.

The Labour Party’s shift to the left in the early 1980’s led to a radical economic and industrial policy which subordinated constitutional change to the reorganisation of the economy based around an active central state Government. The ideological division in the Welsh Party during this period reflects a historic division between the centralist and pluralist visions of socialism which pre-dates the formation of the labour movement in Wales. The centralist vision, which dominated Party thinking at the turn of the decade, derives from a broadly Marxist diagnosis of economic power, while the pluralist vision seeks the socialist commonwealth gradually and peaceably through the acknowledgement of local cultures and traditions\textsuperscript{12}. A division which James Griffiths characterised as a strain between the “contrary pulls of country and cause”\textsuperscript{13}.

The dialectic between the ‘red dragon’ and the ‘red flag’ has been a consistent theme in the politics of the Labour Party in Wales. It was evident as much in the debates during the 1950s, over whether to create the position of Secretary of State for Wales, as it was in the period covered in this dissertation. Socialism was defined for Ness Edwards, MP for Caerphilly (1939-64), by an abhorrence of nationalism. Edwards displayed a Nazi lamp shade made of human skin during the 1945 General Election campaign, claiming that such

\textsuperscript{10} Denis Balsom and Barry Jones ‘The faces of Wales’ in McAllister, I & Rose, R (Eds.) (1984), The Nationwide Competition for Votes. Frances Pinter. London. p.98
\textsuperscript{11} Ibid.
\textsuperscript{13} James Griffiths used the phrase to describe the political career of Huw T. Edwards in an introduction to Edwards’ autobiography. Edwards, H.T. (1967) Hewn from the Rock Western Mail & TWW LTD Cardiff. P1
atrocities would occur in Wales if the Welsh Nationalists gained power. Similarly Kim Howells told me that,

I’m never very sure that nationalism has got anything to do with socialism. I keep putting the words together and coming up with Hitler.

A strong anti-nationalist strain can be detected in Labour Party thinking just as much as a more nationally minded tradition exists. For example, Cledwyn Hughes claims to be an inheritor of the tradition of Cymru Fydd; Hughes wrote, “I was brought up in a radical, non-conformist atmosphere, where Welsh Self-government was part of my heritage.” Similarly Ron Davies, as Shadow Secretary of State for Wales, told the 1994 Labour Party conference in Blackpool:

Like the Scots we are a nation. We have our own country. We have our own language, our own history, traditions, ethics, values and pride.

The Labour Party in Wales therefore has differing visions of socialism imbedded into it, and the 1980s and early 1990s was a time in which these competing visions came into conflict. The conflict however was disguised by a number of different forces.

I will argue that the impetus for reasserting devolution back onto the agenda of the Labour Party in Wales came from a desire to reform Local Government, leading to what Neil Kinnock terms a ‘cannon effect’. The demand to reform the unpopular two-tier structure of County and District Councils with a single tier of most-purpose authorities, provided a ‘window of opportunity’ for pro-devolutionists to advocate a ‘regional, co-ordinating tier’ in the form of a directly elected All-Wales body.

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Support for Regional and Local Government reform was solidified by a feeling that democracy was being undermined by a succession of Conservative Governments implementing radical change to the Welsh economy and society despite commanding less than 30% of the popular vote in Wales. Parallel to this build up of popular support, as a backlash against an unpopular Government, was the process of ‘committee seepage’. Despite the fact that the Leader of the Labour Party was opposed to the re-emergence of a devolution policy. The incremental and self-propelling progress of regional government reform within the Labour Party’s internal decision-making structures, led to a Welsh Assembly creeping its way back onto the lists of the election commitments.

Support for an elected Welsh Assembly was compounded by the Labour Party’s fourth consecutive election defeat in 1992. The election of the pro-devolutionist Ron Davies to the position of Opposition spokesman on Welsh Affairs saw devolution being portrayed as a pre-requisite to social justice and an integral part of Labour’s programme for Government. While Davies successfully placed a Welsh Assembly at the heart of the Labour Party’s programme of reform, he was unable to secure support within the policy-making structures for the model of devolution that he favoured. Nonetheless by 1995 a Welsh Assembly was once again back as a central plank of the Labour Party’s programme, just sixteen years after the ignominious defeat of devolution.

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18 Interview with Neil Kinnock, 15th May 1998
In February 1982 the Executive Committee of the Wales Labour Party confronted the issue of devolution for the first time since the referendum. “Caution would be needed in preparing a policy”\(^{19}\); senior members of the Party in Wales stressed during a “vigorous discussion” with the Party’s parliamentary spokesman on Devolution and Regional Policy, John Prescott. Prescott was an enthusiast for regional government and intended to use his new position to reinvigorate the devolution debate. Whilst he acknowledged the “sensitivity” of the issue in Wales he made clear that the Party’s commitment to an Assembly in Scotland was “firm”, and this had been strengthened by the referendum result there where a majority (52%) of those who voted in 1979 had opted for devolution.

The Executive Committee tried to temper the enthusiasm of the new spokesman on Regional Affairs by stressing that they were unwilling to venture beyond their “traditional commitment” to the de-centralisation of Government for the whole of Britain. “The factors which led to the No vote in 1979 in Wales - fear of Separation, cost, too much government, fear of language and area domination - would still exist”,\(^{20}\) members of the Welsh Executive told the spokesman on Regional Affairs. Struck by the strength of feeling in the meeting,

\(^{19}\) Wales Labour Party Executive Committee meeting on 5th March 1979. Confidential. (Labour Party Wales minutes 1979-81, Wales Labour Party Archives, NLW).

\(^{20}\) ibid.
John Prescott conceded that “it might be necessary to propose different arrangements in different regions, in accordance with different circumstances”. 21

Recalled to a further meeting with the Executive Committee in June 1982, John Prescott’s determination was undiminished. He reminded the Party in Wales of the Labour Party’s wider ‘regional’ commitments to indirectly elected Assemblies in England alongside Regional Development Agencies and also to a directly elected Assembly in Scotland. “It was vital to find a framework of policy into which these commitments could fit”, John Prescott stressed to the Welsh Party.

Speaking at the height of a recession, John Prescott emphasised his own belief in the role of regional government in economic development. Framing his comments in the language of the ‘alternative economic strategy’, which the Party was advocating in its shift to the left, Prescott drew the meeting’s attention to “the need for the Party to back planning from the ground and from local areas upwards, rather than exclusively planning from the Centre and top downwards”. 23 The Executive Committee however stuck staunchly to its view that an elected ‘regional’ body for Wales was acceptable only “strictly in the context of similar arrangements for the English regions and Scotland”24. Despite John Prescott’s best endeavours therefore, devolution was “dead in the water through the mid-80s”25 - as Kim Howells later reflected.

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21 ibid.
22 Minutes of Special Executive Committee of the Labour Party Wales on 21 June 1982. (Labour Party Wales minutes 1979-81, Wales Labour Party Archives, NLW)
23 ibid.
24 ibid
25 Interview with Kim Howells MP* Minutes of the Labour Party Wales/Wales TUC/Welsh Group of Labour MPs Liaison committee. 23 July 1982
At a tripartite meeting in July 1982, with representatives of the Welsh group of MPs, the Wales TUC (Trades Union Congress) and the Labour Party Wales Executive committee, it was resolved that devolution proposals would not be included in the Manifesto for the 1983 election. The minutes record that “After considerable discussion, there emerged a consensus...that any proposals on regional policy should protect the powers of the Secretary of State for Wales.”

Policy-makers were not prepared to countenance the party’s advocacy of devolution for Wales just four years after the referendum defeat. Subsequently, the Labour Party manifesto for the 1983 General Election declared blandly, “Wales is an integral part of the United Kingdom. Labour rejects any proposals which could separate Wales in any way from the rest of Britain.”

Devolution was absent from the agenda of the Wales Labour Party for the next two years. By the time the Welsh Executive committee next came to discuss devolution in July 1984 the Party had a new leader - the anti-devolutionist Neil Kinnock - and a new spokesman for Regional Affairs, Geoffrey Robinson. Robinson came to address the meeting with the message that was music to the ears of the devolutionary agnostics. In stark contrast to the pro-active message brought by John Prescott, Geoffrey Robinson told the Executive committee that “devolution was a matter for the people of Wales to decide,” although he repeated that the Party was committed to Devolution for Scotland. He made it clear that the Parliamentary Party were pre-occupied with opposing the Conservative Government’s plans to abolish the Metropolitan Counties. It was evident from his comments that reviewing the party’s policy on devolution for Wales was not a priority. Future policy should be seeking

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26 Minutes of the Labour Party Wales/Wales TUC/Welsh Group of Labour MPs Liaison committee. 23 July 1982
27 1983 Labour Party Manifesto, New Hope for Wales. 9 June 1983
28 Minutes of the Wales Labour Party Executive Committee on 16th July 1984 (Transport House, Cardiff)
how to get effective action in the Regions without getting bogged down in “long arguments over structures”\textsuperscript{29}, the new spokesman on Regional Policy told the meeting.

The consistent reference to the strength of support in the Party in Scotland must have been beguiling for pro-devolutionists within the Welsh Party. Whereas the Labour Party in Wales had been committed to devolution since 1965, the Scottish Labour Party had been resolutely opposed to devolution until 1974. Indeed, the Welsh party scaled down its ambitions for the powers of a Welsh Assembly, “largely out of fear of putting the Scots on the spot as being too laggard”\textsuperscript{30}. In 1974 however, the Scottish Labour Party reversed its opposition for reasons of unashamed expediency, and went on to demand legislative powers. The Welsh Party had refrained from advocating a stronger model of devolution (despite support within the Party, particularly among the Trade Unions) so as not to embarrass the Scots; “Now they could hardly argue against legislative powers or equality with the Scots because their own policy documents had asked for less”, Brown and Drucker point out.\textsuperscript{31} Consequently pro-devolutionists in the Welsh party lost the initiative and were not to regain it for fifteen years, as I will demonstrate later. The constant reference to the “firm” support for an Assembly in the Scottish Labour Party is therefore tinged with irony.

The years immediately following the referendum were barren ones for the pro-devolutionists. The Leader of the Party was a passionate opponent of a Welsh Assembly. The Parliamentary Party was split, as was the Wales Labour Party Executive Committee, although opponents of devolution comprised the majority in both. Moreover, the explicit nature of the referendum result made it impossible for advocates of devolution to re-establish a momentum for an

\textsuperscript{29} ibid.

elected Welsh Assembly in the short-term. Devolution was well and truly “dead in the water” during this period.

31 P.94, ibid.
Chapter two

THE CANNON EFFECT

In the early 1980s Labour espoused a highly interventionist industrial policy, resting on the premise that an active state intervening in the investment process was vital to the competitiveness of the British economy\(^{32}\). In line with this philosophy a Executive Committee working party proposed a new Economic Planning Council, chaired by the Secretary of State for Wales, to draw up a plan to regenerate the Welsh economy and co-ordinate regional policy and new public investment.

The working party interim report on ‘Democratic Change in Wales’ was presented to the Wales Labour Party conference in 1986. The Swansea conference passed a composite resolution echoing the call for a Welsh Planning Authority, alongside similar ones in England and Scotland, as part of a “A strong system of regional economic planning and development, within the framework of economic planning and control on an all-Britain level”\(^{33}\). The planning authority was justified not in terms of decentralisation but as an instrument for “powerful intervention” and in particular as a vital dimension of the Left’s Alternative Economic Strategy. An elected Welsh Assembly remained dead in the water; the report recommended the subordination of “reorganising the structure of government” to job creation and investment.


\(^{33}\) Resolution composite 5 on Regional & Economic policy. 1986 Annual Wales Conference, Swansea, 16/17 May 1986. Box 230. (Wales Labour Party Archives, NLW)
Devolution, however, only looked dead. Alongside structures to facilitate planning, the working party report “favoured as an objective of Party policy”\(^{34}\) a single-tier system of local authorities. The desire to reform the unpopular structure of Local Government introduced in 1974 led to what Neil Kinnock terms “the cannon effect”\(^{35}\) - referring to an unintended ‘knock-on’ effect which occurs in snooker. Kinnock argues that although there remained a majority on the Wales Labour Party Executive Committee opposed to asymmetrical devolution, the desire to replace the two-tier local government structure with a single-tier of ‘most purpose’ Unitary Authorities strengthened the argument for a strategic co-ordinating tier. Therefore, Neil Kinnock argues, the demand for a single-tier structure in local government had a “cannon effect” in reviving the argument for a regional tier of government\(^{36}\).

The “cannon effect”, however, was a long-term trend resting on the demand for local government reform, which was still in its very early stages in 1986. The proposal to include local government re-organisation in the 1987 manifesto met with the disapproval of the Wales TUC, which still exerted considerable influence in the Labour Party at this time. David Jenkins, the General Secretary of the Wales TUC, wrote separately to Neil Kinnock (the Leader of the Labour Party) and Jack Cunningham (the opposition spokesman on the Environment), setting out the view of those trade unions in Wales affiliated to the Labour Party. He made clear their view that reform of local government would adversely affect the role envisaged for local authorities in realising the party’s pledge to create one million jobs\(^{37}\). The Trade Unions, therefore, had a vested interest in ensuring that the interventionist policies

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\(^{34}\) *Democratic Change in Wales - Interim Report of a Working Party set up by the Executive Committee of Wales Labour Party (Regional & Local Government Reform in Wales. Wales TUC Archives: NLW)*

\(^{35}\) Interview with Neil Kinnock. 15th May 1998.

\(^{36}\) Ibid.
of the ‘alternative economic strategy’ were prioritised. Patrick Seyd makes the point that although the Labour Party had begun to shift away from some of the unpopular commitments of 1983, policy-making still reflected the trade unions’ boundary restraints\(^{38}\). In his letter to Neil Kinnock, David Jenkins wrote that:

> It would be most inappropriate for any priority to be attached to regional and local government reform in the life-time of the next Labour Government...other priorities, most particularly the need to tackle unemployment, must take clear precedence over constitutional reform\(^{39}\)

Consequently, the 1987 Labour Party manifesto pledged to create an Economic Planning Council for Wales as a step towards “more radical change in the Machinery of Government in Wales as in the rest of Britain”\(^{40}\). However it pledged only a major programme of consultation to consider the future of Local Government, rather than a firm commitment to abolish the two-tier structure as was favoured by the working party. Devolution was absent yet again from the Labour Party programme, nevertheless, the prospect of a major review of local government in Wales left open a ‘window of opportunity’ for the pro-devolutionists with the so-called “cannon effect”.

A further factor that pointed to a change in attitude was a shift at the leadership level of the party away from the radicalism of the turn of the decade. Eric Shaw notes that from 1986 onwards there was a retreat from planning, spurred by decay in the influence of the left, which reflected a re-thinking about the relationship between the state and the market. The

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\(^{37}\) Letter from David Jenkins to Jack Cunnigham on January 12th 1987 (Regional & Local Government Reform in Wales. Wales TUC Archives. NLW)


\(^{39}\) Letter from David Jenkins to Neil Kinnock on 26th November 1986 (Regional & Local Government Reform in Wales. Wales TUC Archives. NLW)

role of the state came to be seen less as a tool for intervening to direct the economy, but rather as an instrument for facilitating the operation of the market by stepping in to perform functions that it was unwilling to discharge\textsuperscript{41}. The thinking of the leadership therefore was moving away from the ideas which underpinned the Economic Planning Authority for Wales. The implication of this was that the objections of the public sector unions towards the reform of local government would be weakened. The framework for the resurrection of devolution was therefore beginning to take shape.

Chapter three

WE HAVE GOT TO CHANGE THE RULES

The decisive event in the revival of devolution within the Labour Party in Wales was the 1987 General Election. On 11 June 1987 the Conservative Party won a third consecutive General Election victory with a massive 102 seat overall majority. In Wales however, the Conservative Party commanded just 29.5% of the vote and captured majorities in only eight of the 38 parliamentary constituencies. The Labour Party conversely received 45% of the votes cast in Wales, giving it 24 out of 38 Members of Parliament.42

The failure of the Labour Party to win after eight traumatic years in opposition, along with the prospect of a further term of radical policies from a Government with a powerful parliamentary majority, concentrated the minds of Labour Party activists in Wales. As one senior Labour Party figure told me “To put it very crudely, in a lot of peoples minds they said ‘look, if we can never ever win Britain then we have got to change the rules’”43. Ron Davies, who had voted against devolution in 1979, summed up the change of mood within the Labour Party in Wales following the 1987-election result:

There was a very strong feeling that democracy was being undermined. A system of representation is contradicted when a country like Wales can vote one way and be delivered something completely different. Touring my constituency the day after the vote I came across graffiti on a railway bridge in Nelson - ‘We voted Labour, we got Thatcher!’ That summed the whole thing up for me.44

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43 Interview with Kim Howells MP 15th May 1998.
44 Ron Davies quoted in Osmond, J (1995), Welsh Europeans. Seren, Bridgend. p.82
The Labour Party has consistently received a higher share of the vote in Wales than its share across the United Kingdom. Even at its nadir in 1983 Labour received 10% more of the vote in Wales than in did in Britain as a whole and 6.5% more than the Conservatives in Wales did. In 1987 the Labour Party in Wales performed considerably better than the Party nationally, gaining nearly 15% more of the share of the vote in Wales than in the United Kingdom as a whole. Labour achieved a 7.5% swing in Wales compared with a 2.6% swing in England. Labour also performed significantly better than the Conservatives in Wales, commanding a lead of 15.6%. Despite this considerable achievement by the Labour Party in Wales, the Conservatives achieved a majority of 102 at Westminster.

The pervading feeling was one of helplessness. This feeling was compounded by the inability of opposition backbenchers to influence events at Westminster, where backbench MPs were reduced, in Austin Mitchell’s memorable phrase, to “heckling the steamroller”. As one of the 1987 intake of new Members of Parliament, Rhodri Morgan was struck by the inability of Welsh MPs to protect Wales from “the ravages of a Tory Government which, although totally rejected by the people of Wales, was completely rampant”, as he put it:

[In 1987] you had this huge, massive, rush of hard-line Conservative legislation - the Poll Tax, Electricity privatisation, Water privatisation...the fury of legislation which was put through in the first two years of that Government really was pretty astonishing and we could do absolutely nothing to stop it.

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47 Interview with Rhodri Morgan, 6th May 1998.
The feelings of despair provoked within the Welsh Party after their third election defeat fed into a wider mood of discontent which had been fomenting for some time. The reforms, which the Conservative Government had initiated in the period between 1979 – 1987, had struck at the heart of the consensus on social and economic policy that the Labour Party had initiated after the war. As Dylan Griffiths notes, the Conservative Governments saw the public sector as “ovlarge and inefficient, a drain on public expenditure, a burden on private industry and a haven for trade union militancy”. Furthermore he Conservative Government implemented its policy of radical economic change in the face of opposition from those that had benefited from the “expensive social democratic state”48. Given that the Welsh economy was heavily dependent on the public sector and the Labour Party in Wales was closely tied to the union movement, Thatcherism inevitably proved a traumatic experience for the Labour movement in Wales.

The trauma of radical economic change was a critical factor in persuading Party members in Wales to back devolution again. “The difference was the 1980s” Kim Howells argues, “The difference was having lived through an extremely difficult decade and a half in which we seemed to have very little say over what we could or couldn’t do in terms of shaping the world we inhabited”49. Kim Howells, a former National Union of Mineworkers official, identifies the 1984-85 miners’ strike as having a profound effect on the Labour Party in Wales50. In particular Howells argues, the multi-party Wales Congress in Support of Mining Communities taught the Labour Party “how it was possible over a very specific issue to build

49 Interview with Kim Howells, 15th May 1988
bridges with parts of Wales which had long fallen into disrepair"51. The bridge building in-
turn served to ease some of the suspicions which characterised the devolution debate in
1979, and indeed the Cymru Fydd movement at the end of the last Century – witness
Alderman Bird’s suspicion of the wild North Warians.

A further policy development, which proved influential in changing the climate of opinion
within the Labour Party in the period after the 1987 election, was the imposition of the
Community Charge. The Poll Tax antagonised the Labour Party’s Local Government base
into agitating for constitutional change and in particular Local Government reform. Rhodri
Morgan argues that the mood of the party at the base, particularly in its very strong base in
Local Government, was the most significant factor in generating a momentum for change.
Morgan attributes the change in attitude to devolution to the Labour Party’s grass roots; “It
was the Party gnashing its teeth at what it could do to overcome its impotence”, he told me52.
The pressure for constitutional change from the Labour groups on local councils was crucial
given that the local authorities were one of the most significant opponents of devolution in
1979.

The 1987 General Election therefore proved to be a watershed. While defeat hit the party in
Wales hard, the loss of a third General Election was “devastatingly disappointing”53 to the
Party at the national level. The Labour Party in response set about the most comprehensive
attempt to reconsider the nature of the party’s political commitments since the writing of the

51 Interview with Kim Howells, 15th May 1988. See also John Osmond, “The Future of the Wales Congress’ in
Planet No.51, June/July 1985, p.119.
52 Interview with Rhodri Morgan, 6th May 1998
party’s original constitution in 1918\textsuperscript{54} - the Policy Review. Everything was up for grabs and sections of the Labour Party in Wales certainly had ideas of their own as to which policies should be reviewed.

\textsuperscript{54} Patrick Seyd in ‘Labour the Great Transormation’ in King, A (Ed.), (1992) \textit{Britain at the Polls 1992}. Chatham House, New Jersey. p.75
Chapter Four

THE COMMITTEE JUNGLE

At the first meeting of the Executive Committee after the General Election in June 1987, Sam Williams, a member from the Carmarthen constituency, announced he wished to place the issue of devolution on the agenda of the next meeting. The subsequent meeting agreed to set-up a working party to consider future policy on ‘Local Government and Devolution’.

The willingness of the Party to engage in a review of the structure of local government, and in-turn a review of its devolution policy, can be explained by a culmination of the factors that I previously identified. Namely, an ideological shift within the party away from central state intervention, a change of attitude brought about by a third electoral defeat and a backlash against Conservative policies.

The Executive committee Working Group on ‘the future of Local Government in Wales’ presented its initial conclusions in May 1988 to the Welsh Party conference in Tenby in the form of a consultative document. The Working Group justified a review of the local government structure as a sensible corollary to the party’s review of local government finance, which the party nationally was working on as a response to the Poll Tax. The Working Group paper also argued that reform was an urgent priority to “deal with problems

55 Minutes of the Wales Labour Party Executive Committee on 29th June 1987 (Transport House, Cardiff)
56 The Executive Committee meeting on 21st September 1987 referred the matter to the Local Government and Public Services Sub -Committee
57 Minutes of the Local Government and Public Services Sub -Committee on 19th October 1987 (Transport House, Cardiff)
of duplication and confusion inherent in post-1974 system of Local Government. Neil Kinnock rightly argues that the way in which the pro-devolutionists reasserted an Assembly onto the agenda of the Welsh Group was through the argument for local government reform. The consultation document posed a series of questions for the party to consider, one of which was “How can there be a reorganisation of Local Government in Wales without establishing an all-Wales elected body”; thus bringing into play what Neil Kinnock called the ‘cannon effect’.

The Working Group presented four options in its consultation paper and, as is often the case in internal consultation papers, the language used was heavily loaded. The options were: (i) No change; (ii) Abolition of County Councils with all local government functions exercised by District Councils; (iii) Single-tier Local Government structure beneath an All-Wales elected body; (iv) Single-tier Local Government structure based on County Councils, without an All-Wales elected body. The third policy option was presented as the “long-standing view of the Wales Labour Party”.

All sections of the Party in Wales were invited to give their views on the document between June 1988 and February 1989. In March 1989 the report on the first-stage of the consultation process was presented to the Executive Committee, which in-turn unanimously endorsed the favoured option of a single-tier structure of Local Authorities beneath an elected All-Wales body. While some sections of the Party had argued for an Assembly with the same powers

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59 p.3. ibid.
60 Interview with Neil Kinnock, 15th May 1998.
62 ibid.
63 Minutes of Wales Labour Party Executive Committee. 20 March 1989. (Transport House, Cardiff)
as Scotland, the majority of responses supported a regional government structure progressing in tune with English regional reform\textsuperscript{64}. The conclusion of the consultation report noted:

In a very real sense, the debate is no longer about devolution. After 10 years of Tory centralisation and the progressive weakening of the local government system...the debate must now be about establishing a new system of local/regional government for Wales. It is certainly not about Nationalist dreams of an independent and under-resourced Wales, lost within the European Community\textsuperscript{65}

The report was written by Ken Hopkins, the constituency Secretary of the Rhondda Labour Party and Chair of the Working Group. Hopkins was keen to present an all-Wales body as a moderate “middle way” in order to maintain Party unity. He felt said that “the general Party view, particularly in the valleys, is that they are prepared to go along with a moderate policy after persuasion, but once you start putting forward policies which look nationalist you will have opposition”\textsuperscript{66}. Hopkins was the former Director of Education of Mid-Glamorgan County Council and a self-proclaimed “Local Government man”. His emphasis was on presenting the re-organization of Local Government and the creation of an Assembly as complimentary: “They go together and you can’t have one without the other”, he told me, “That has always been part of our logic”\textsuperscript{67}.

Similarly, James Griffiths attempted to commit the Labour Party to establish Regional Authorities in the context of Local Government reform at the 1943 Labour Party conference\textsuperscript{68}. Likewise Cledwyn Hughes tried unsuccessfully in 1967 to set up an elected regional council, with legislative powers, as the apex of a rationalized structure of large

\textsuperscript{64} ibid. Appendix 1 - the Future of Local Government in Wales: Report on Consultation
\textsuperscript{65} ibid.
\textsuperscript{66} Interview with Ken Hopkins, 4th August 1997
\textsuperscript{67} ibid.
\textsuperscript{68} Phillip, A B, (1975) \textit{The Welsh Question}, University of Wales, Cardiff. p.277
County Councils\textsuperscript{69}. Local Government reform was therefore a well used tool by pro-devolutionists in the Labour Party in Wales to try and get devolution on the Party’s agenda through the back door, until 1989 the tactic had been unsuccessful.

Once the Working Party report had been endorsed by the Welsh Annual Conference in May 1989, the Labour Party had determined its position. Based on this decision it launched ‘Phase II’ of its consultation process. In addition to holding four public meetings throughout Wales, the working party issued invitations to local authorities and a broad range of official All-Wales bodies to submit written evidence\textsuperscript{70}. As a result representatives of over 80 organisations set out their views on the favoured option of the consultation document, as part of the second phase of the consultation\textsuperscript{71}; the process was also fed into the National Policy Review\textsuperscript{72}. The decision to hold public consultations was in line with a national campaign called ‘Labour listens’, which had been devised as a way to enable target voters to let the Party know what they thought about the Policy Review. In the event some commentators thought that the initiative was “as effective as an unplugged hearing aid”\textsuperscript{73}.

In Wales however the public consultation served a useful purpose in acting as a device to demark the boundaries of debate. By ring-fencing the Labour Party’s internal debate, the historic difficulty of unifying the party behind a devolution policy was eased. For example, the Executive Committee was able to use the existence of a public consultation process to

\textsuperscript{70} Minutes of the working party on the future of Local Government in Wales. 7 September 1989 (Transport House, Cardiff).
\textsuperscript{71} \textit{The Future of Local Government in Wales}, a statement by the Executive Committee of the Wales Labour Party. May 1990. p.2
\textsuperscript{72} Letter from Larry Whitty, General Secretary of the Labour Party. Minutes of the working party on the future of Local Government in Wales. 7 September 1989 (Transport House, Cardiff).
\textsuperscript{73} Hughes, C & Wintour, P (1990) \textit{Labour Rebuilt}, Fourth Estate, London. p.100
urge constituency parties at the annual Welsh conference in Llandudno in 1989 to refrain from joining the cross-party campaign for a Welsh Assembly. The Labour Party in Wales has consistently shown an aversion to cross-party ties given its dominant electoral position. In 1955 the Secretary of the Welsh Council of Labour, Cliff Prothero, issued a statement disassociating the Labour Party from the cross-party Parliament for Wales campaign, adding that “any kind of devolution required in Wales can be discussed within the confines of the Labour movement”. This attitude was heightened by the deep divisions, which surfaced during the 1979 referendum campaign. Consequently the Executive Committee were only prepared to countenance a revival of devolution if unity was maintained. Indeed the emphasis on unity was one of the guiding principles set out in the 1988 working party report.

While the Party was anxious to maintain a facade of unity in public, the most disunited of all the internal groups consulted by the working party was the Welsh group of Labour MPs. At a meeting in January 1990 in the House of Commons, the Welsh Labour MPs were divided over the need for local government reform with a co-ordinating tier. Nine of the seventeen MPs who spoke favoured an elected Welsh Assembly, albeit with varying degrees of enthusiasm. Ron Davies argued for a body with the full powers of the Welsh Office; Newport East MP Roy Hughes favoured a body with minimal powers, while Carmarthen MP

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75 See for example, I. McAllister, ‘The Labour Party in Wales: the dynamics of one-partyism’ in Llafur. Vol. 3 (No.2) (Spring 1981)
76 Quoted in Prothero, C. (1982), Recount. Ormskirk, p.68
78 Minutes of a meeting of the Welsh group of Labour MPs with members of the Wales Labour Party executive on the future of Local Government in Wales. 16th January 1990 at the House of Commons (Transport House, Cardiff)
Dr Alan Williams argued that if England is to have regional assemblies “then we must have one”\(^79\)

Antagonism to the re-emergence of devolution was expressed by a handful of the MPs. Paul Murphy, who was the treasurer of the ‘No’ campaign in the 1979 referendum, expressed “deep unease” about the reform and warned about “going down a path of diversion”.

Similarly Swansea West MP Alan Williams declared that “the consultation is a waste of time. There are far more important considerations for a Labour Government”. Kim Howells - who had recently entered Parliament following his victory in the Pontypridd by-election - also wanted to see no change, “We are responding to the hidden agenda of the Nationalists” he argued. Rhondda MP Allan Rogers said that he was “yet to be convinced that the people of Wales want an Assembly. Any feeling that there is, is a reaction to 10 years of Thatcherism”\(^80\).

Allan Rogers struck a resonant note when he expressed anxiety at the continued existence of the Secretary of State for Wales if there was to be an elected Assembly - a further five MPs raised concern about the viability of the post in the event of devolution. Interestingly Rogers used exactly the same phrase to describe the wisdom of abolishing the post of Welsh Secretary, “a retrograde step”, as Herbert Morrison had used in 1946. Morrison, Deputy leader of the Labour Party at that time, used the phrase conversely, to argue against establishing a cabinet minister responsible for Welsh affairs in 1946\(^81\). It is merely an accident of history that both used the same phrase, nonetheless both Morrison and Allan

\(^{79}\) ibid.
\(^{80}\) ibid.
\(^{81}\) Letter from Herbert Morrison to James Griffiths, 13 October 1948 (James Griffiths Papers, NLW C2/9)
Rogers can be accurately described as constitutional conservatives who eschew structural innovation.

Remarkably, the notional leader of the Labour Party in Wales did not endorse the policy that had been approved by the Welsh Party conference some months earlier. During the consultation meeting with the Welsh group of MPs, the Shadow Secretary of State for Wales, Barry Jones, is recorded as making a series of ambiguous comments which are inane even by his normal standard: “There could be defects in the new structure of most-purpose authorities”, Barry Jones told the consultation meeting, “They could lead to a diminution in Parliamentary representation. Where will the resources to fund them come from?” he asked rhetorically.

In addition to the spokesman on Welsh Affairs, Barry Jones, the leader of the Labour Party also remained opposed to any moves towards establishing a Welsh Assembly. Neil Kinnock however was pre-occupied with the Policy Review and the quest to make the Labour Party ‘electable’: “I just wasn’t sufficiently exercised to try to stamp it out”, Kinnock told me. Conscious that he could only fight battles on a limited number of fronts, he decided to sit this one out and leave the fire fighting to his “mates on the Welsh executive”, as he put it:

I was pretty confident a lot of the time that it could stay in the committee jungle being talked out by several people who had a lot of influence in the Welsh Council of Labour and were not enthusiasts for singular devolution. But of course the reports started coming in and the resolutions started getting passed…and I must say it was just an extra front to fight on, but I just wasn’t ready to put energy into it.

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82 Minutes of a meeting of the Welsh group of Labour MPs with members of the Wales Labour Party executive on the future of Local Government in Wales. 16th January 1990 at the House of Commons (Transport House, Cardiff)
83 Interview with Neil Kinnock, 15th May 1998
84 ibid.
Although no less opposed to Welsh devolution than he was when he led the Labour ‘No’
campaign in 1979, Neil Kinnock now had other priorities. As Rhodri Morgan put it, “Neil
wasn’t going to fight to the death to resist something which he felt had some popular
support”\footnote{Interview with Rhodri Morgan, 6th May 1998}. Kinnock was also constrained by the balance of opinion in the Shadow Cabinet,
which now contained a number of senior Scottish figures who were pro-devolutionist.

“There was no point in having a big scrap with them…it wasn’t worth a punch up”, Neil
Kinnock stresses\footnote{Interview with Neil Kinnock, 15th May 1998}. Despite the hostility of the spokesman on Welsh Affairs, Barry Jones,
and the Leader of the Party, Neil Kinnock, the leadership was not sufficiently motivated to
try and kill the policy:

> If I had wanted to get my mates on the Welsh Executive together and say as a matter
> of conviction as well as loyalty to me this has got to be killed, they would have killed it. But frankly it was about 95th on the bloody agenda…I didn’t get interested about it, not enough to call in the chips\footnote{ibid.}

Therefore, without the direct intervention of the leadership to reverse the policy, the process
of “committee seepage” (in Kinnock’s phrase) was allowed to proceed.

In April 1990 the Wales Labour Party Executive Committee endorsed the recommendations,
after a few minor amendments, of the final Working Party report on the “Future of Local
Government in Wales”\footnote{Minutes of Wales Labour Party Executive Meeting on 2nd April 1990 (Transport House, Cardiff)}. In May 1990 the report was approved by the Wales Labour Party
annual conference. The document was principally the same as the initial Working Party
report, which had been endorsed by the 1989 conference. The Wales Labour Party
committed itself to include in the manifesto for the next General Election a pledge to abolish the two-tier structure of Local Government - the eight County Councils and 37 District Councils. A single tier of ‘most-purpose’ local authorities would be set up beneath an elected body which would deal with the functions of the Welsh Office and the all-Wales nominated bodies. As a result of differing demands which emerged during the second stage of the consultation process, the initial commitment to establish between 17-25 Unitary Authorities was altered to a recommendation that the Secretary of State for Wales decide the number and boundaries of ‘multi-purpose’ authorities after consultation. The regional body would have neither legislative nor tax-varying powers and the pace of reform in Wales would be in parallel with the establishment of similar regional governments in England, furthermore no referendum would be held.

Far from being kept within the ‘committee jungle’, devolution was again on the Party’s list of pledges. For the first time since October 1974, the Labour Party was going into a General Election with a manifesto commitment to set up a Welsh Assembly. An Assembly for Wales was in no sense a priority for the Labour Party however, and if they had been elected the leadership would have insisted on there being a referendum held on the issue. “There was no big speeches made [sic], no big campaign. It was just there quietly in the Labour Manifesto”, according to the General Secretary of the Wales TUC David Jenkins. The Parliamentary Party were far from enthused about the policy and much of the membership had supported the policy as a companion to Local Government reform and based on the firm understanding that similar reform in the English regions would progress in parallel. The

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ghost of 1979 still haunted the Labour Party in Wales. A significant number of people were unwilling to countenance Wales moving ahead separately from England. As David Jenkins explained, “If it’s only for Wales and Scotland people see it as a national thing as opposed to a regional thing”\textsuperscript{93}.

While there had been a significant shift in the mood of the Party towards devolution for Wales since the referendum in 1979, the consensus for change was not secure. Devolution had been portrayed in largely structural terms and no connection had been made between an Assembly and Labour’s vision for societal change. ‘Devolution’ needed a spin-doctor.

\textsuperscript{91} Interview with Neil Kinnock, 15\textsuperscript{th} May 1998.
\textsuperscript{92} Interview between Bethan Lewis and David Jenkins on 23rd March 1998.
\textsuperscript{93} Interview between Bethan Lewis and David Jenkins on 23rd March 1998.
Chapter five

THE DEMOCRATIC DEFICIT

At the 1992 General Election the Labour Party gained nearly half of the popular vote in Wales, but succeeded in gaining just a third of the national vote. As a result the Conservative Party formed their fourth successive Government with an overall majority of 21. The Conservative Party in Wales won only six of the 38 parliamentary constituencies and just 28.6% of the vote. It was a bitter blow for the Labour Party; “it was such a trauma, it was like a death in the family” Kim Howells told me. Following five difficult years of policy adjustment and ‘modernisation’ the Labour Party still could not win a General Election. “It really raised a lot of questions about would Labour ever win again”, according to David Jenkins. “If we couldn’t win in 1992, really how were Labour ever going to win”, the leader of the Wales TUC said.

The 1992 General Election confirmed the pattern that despite consistently attaining majority support in Wales, the Labour Party could not command a sufficient majority in the United Kingdom as a whole (particularly in the south-east of England) to win a General Election. David Jenkins suggests that the mood among pro-devolutionists was to look beyond the Labour Party to deliver an Assembly for Wales; “We couldn’t rely upon Labour winning. Maybe Labour would never win”, Jenkins said. The despondency of pro-devolutionists within the Labour movement fed into a wider climate of opinion, which had been vocalised

95 1992 National General Election result: Conservative Party, 41.9% (336 seats), Labour Party, 34.4% (271 seats).
96 Interview with Kim Howells, 15th May 1998.
97 Interview between Bethan Lewis and David Jenkins on 23rd March 1998.
prior to the Labour Party’s fourth defeat. In the week leading up to the General Election the
cross-Party Campaign for a Welsh Assembly published the signatures of 900 ‘leading
people’ in Wales calling for a constitutional convention to be established\textsuperscript{99}. The campaign
modelled itself upon the Scottish Constitutional Convention, which had been set up in 1989.

It was, however, clear that the Wales Labour Party were not prepared to take part in a cross-
party campaign. During the election campaign Labour Party candidates had been
discouraged from signing the declaration because a constitutional convention would
“complicate and delay” the establishment of an Assembly\textsuperscript{100}. Despite being narrowly
approved by the Wales TUC conference at the end of May 1992, the proposal to set-up a
cross-party convention was rejected by meetings of the Welsh group of Labour MPs and the
Wales Labour Party Executive Committee in June 1992\textsuperscript{101}.

The priority for the Labour Party was to achieve a policy on devolution that would command
unity within its own ranks and in-turn would be a policy that the party would be able to
deliver. Furthermore, the Executive Committee did not want to risk alienating the Labour
supporters in the south east Wales strongholds who would not wish to be associated with the
Nationalists in a cross-party campaign\textsuperscript{102}. As Terry Thomas, a long-standing member of the
Welsh Executive, explained:

The very foundation of the Wales Labour Party policy was that we were not in favour
of separation and how could we then form an alliance with people whose belief was
that Wales should be a separate nation\textsuperscript{103}

\textsuperscript{98} ibid.
\textsuperscript{99} ‘Assembly gets big boost’, Western Mail, 2nd April 1992
\textsuperscript{100} ibid.
\textsuperscript{101} R.W.Jones & B Lewis, ‘The Wales Labour Party and Welsh Civil Society’, Paper presented to the PSA
Annual Conference, 7-9 April 1998.
\textsuperscript{102} Interview with senior Wales Labour Party official, 29 May 1997.
While there was some support for a cross-party alliance - notably the MPs for Cardiff Central and Newport West, Jon Owen Jones and Paul Flynn - the majority view was opposed to taking part in a Constitutional Convention. Ken Hopkins told me that representatives of the Scottish Labour Party had urged the Welsh Party not to take part in any cross-party alliance; “They told us ‘don’t touch it with a barge pole’”\(^{104}\). Indeed, it was a widespread perception that the Labour Party in Scotland had made a grave mistake in “contracting out its policy-making”, particularly to groups who were demanding a stronger model of devolution than many senior members of the Labour Party were prepared to countenance.\(^{105}\). Instead the Labour Party set-up a Policy Commission with a remit to re-examine the Wales Labour Party’s devolution policy. The Policy Commission was similar to the Working Party established after the Party’s defeat in the 1987 General Election on Local Government reform.

In the autumn of 1992 Ron Davies was elected to the Labour Party’s Shadow Cabinet in a by-election. John Smith, Neil Kinnock’s successor as leader, appointed Davies to the position of Shadow Secretary of State for Wales – replacing the equally pro-devolution Ann Clwyd. Although he had opposed a Welsh Assembly in 1979, Ron Davies became converted to devolution during the 1980’s. Indeed at the meeting of Welsh MPs in 1990 (which I referred to in a previous chapter) Ron Davies had been the sole advocate of an Assembly with the full powers of the Welsh Office\(^{106}\). “After the 1992 General Election any doubts I might have entertained about devolution were completely dispelled”\(^{107}\), Ron Davies said. On

\(^{103}\) Interview between Bethan Lewis and Terry Thomas on 16th February 1998.

\(^{104}\) Interview with Ken Hopkins, 4th August 1997.

\(^{105}\) Interview between Bethan Lewis and Terry Thomas on 16th February 1998.

\(^{106}\) Minutes of a meeting of the Welsh group of Labour MPs with members of the Wales Labour Party executive on the future of Local Government in Wales. 16th January 1990 at the House of Commons (Transport House, Cardiff)

becoming the Labour Party’s spokesman on Welsh affairs, Davies determined to put devolution at the centre of the Party’s policy for Wales. “It was a brave decision to make devolution the issue” according to David Jenkins, the Wales TUC leader. “This was his issue and this was going to be the top priority for the Labour Party in Wales: not necessarily taking everyone’s quiet advice”, Jenkins added. Despite advice to the contrary therefore Ron Davies decided to make devolution the major campaigning issue for the Wales Labour Party. Devolution was a policy whose time had come, Davies judged:

We had to grasp the issue positively and make it a priority. We had to be for it or against it and if we were in favour we could not be half-hearted. The task was to make the party aware that so many of our other vital concerns – with the economy, education, the health service, the environment, agriculture – all depended on our first achieving the mechanism of a democratic assembly to put our policies into effect.

Davies latched on to the notion of a ‘democratic deficit’ and repeated it like a mantra in almost every speech to a Labour Party audience. Ron Davies calculated that if devolution was to capture the imagination of the Labour Party it had to be related to everyday concerns. In particular it had to be identified as an alternative to the failings of the unpopular Conservative government. Not only was it unjust that the Welsh electorate had been encumbered with a Government that it did not vote for, but the democratic structures in Wales were breaking down, Davies argued. “The present regime is thoroughly undemocratic”, Davies said in his first major speech as Welsh spokesman.

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108 Interview between Bethan Lewis and David Jenkins on 23rd March 1998.
110 Between 1979 and 1995 Welsh Office expenditure increased by 51% and the number of Quangos for which the Welsh Office had responsibility for doubled. There had not however been a corresponding increase in accountability.
Ron Davies repeated the point in Cardiff in March 1993 at a meeting of one of the few mechanisms open to Welsh Members of Parliament to hold the Government to account, the Welsh Grand Committee. It was the first time that the committee had met outside London since it was established in 1960. In his speech Ron Davies again drew attention to the democratic deficit:

> It is the deepest affront to the people of Wales that those who have no mandate and who cannot be held accountable, are those who, in effect, govern Wales. The integrity of Wales as a national, cultural and political entity is beyond dispute. We have administrative devolution…the problem is that it is undemocratic government\(^\text{112}\)

The difference in tone between Davies’ speeches and those of his predecessors is notable. Davies speaks of Wales not as a region – as it was constantly referred to in the policy documents throughout the 1980’s, but as a nation. In his advocacy of an elected All-Wales body Davies eschews the central dilemma that has dogged Labour politicians in Wales. As Peter Stead points out, the Labour Party that developed in Wales rarely doubted that “Welshness” [sic] had contributed to its legitimacy and genius but was never sure as to whether this demanded in return some specific constitutional or even administrative provision\(^\text{113}\). Ron Davies, unlike his predecessors since 1979\(^\text{114}\), recognised what “Welshness” [sic] meant to him and in-turn transported that into a firm policy framework, which saw devolution as a pre-requisite to social justice.

Ron Davies’ view of course was not without its detractors. Llew Smith, MP for Blaenau Gwent, protested that the projection of devolution as a “miracle cure” was nonsense that

\(^{112}\) Welsh Grand Committee, 18 March 1993  
“panders to a form of nationalism that has no intellectual base and insults the intelligence of the people it purports to represent”\textsuperscript{115}. Kim Howells differs from Llew Smith in favouring devolution but shares a common “abhorrence of nationalism”, which he describes as an “extraordinarily adolescent political philosophy”\textsuperscript{116}. Therefore the historic ideological divide within the Labour movement in Wales remains alive. In the battle between the red dragon and the red flag, however, the latter has lost the initiative.

Ron Davies popularised his theme with his attacks on the proliferation of Quangos, which he described as “Government without ballot and power without scrutiny”\textsuperscript{117}. The Labour party presented the Conservatives as wielding power through appointments after failing to achieve power in Wales through the electoral process. “Quangos are increasingly used to subvert the democratic process in Wales...being used to bring Tories, who have been rejected at the ballot box, into public life”, Ron Davies argued\textsuperscript{118}. A stunning example of this point highlighted by the Labour Party was the case of former Welsh Office Minister Ian Grist. Grist lost his Cardiff Central seat to Jon Owen Jones in the 1992 General Election but was appointed within weeks to the Chair of South Glamorgan Health Authority where he controlled a budget of £232 million and arguably wielded greater power than he did as a backbench MP\textsuperscript{119}.

The impotence of Welsh opposition MPs was highlighted by the suspension of House of Commons Standing Order No.86, which entitles all Welsh MPs to sit on Committees relating

\textsuperscript{114}With the exception of Ann Clwyd who was in position for only a very short time and had no opportunity to develop policy initiatives.

\textsuperscript{115}Smith, L (1995) \textit{The Welsh Assembly: why it has no place in Wales} – submission to the Labour Party Policy Commission.

\textsuperscript{116}Interview with Kim Howells, 15th May 1998.

\textsuperscript{117}Ron Davies, ‘The Minister and his quangos’ (article undated).

\textsuperscript{118}Ron Davies ‘The Quango State – a democratic audit’ in \textit{Welsh Democracy Review} (undated).
to legislation that applies only to Wales. Its suspension for the passage of three pieces of legislation (the Cardiff Bay barrage Bill, the Welsh Language Bill and the Welsh local Government Bill) in as many years, to allow Conservative MPs sitting for English constituencies to be members of the Standing Committees, strengthened perceptions of a ‘democratic deficit’\(^{120}\). The system of representation was being contradicted and democracy undermined.

The characterisation of Wales as ‘Quangoland’ served to place the issues surrounding the concept of a ‘democratic deficit’ into a sharper focus. In January 1993 the Wales Labour Party published a briefing paper on ‘Quangos in Wales’, which condemned the Conservative Government for “stuffing public bodies in Wales with Tory placemen”\(^{121}\). A further study by Delyn MP, David Hanson, found that Conservative Party members were over represented by 40% on public bodies\(^{122}\). Indeed, Viscount St David who was the Conservatives’ Welsh Office spokesman in the House of Lords between 1993-1995 later recalled that when he sat to discuss Quango appointments with David Hunt, the Secretary of State for Wales at the time, “they were far from neutral”\(^{123}\). This continuous assault on the ‘Tory Quango State’ launched by Ron Davies and his frontbench team was critical in mobilising support within the Wales Labour Party for prioritising devolution.

The pro-devolutionists, led by Ron Davies, sold devolution to the Wales Labour Party on a ‘democratic’ ticket. They presented Parliament as an inadequate tool to hold the Welsh

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122 David Hanson MP (Delyn), (December 1993) ‘Unelected, unaccountable and untenable – a study of appointments to public bodies in Wales’ P.9
123 Speech by the Viscount St David to the ‘Yes for Wales’ conference in Llandrindod Wells, July 1997
Office to account – Ron Davies even went so far as to say that Parliament is characterised by “a distorted and corrupt legislative procedure”\(^\text{124}\). The pro-devolutionists mobilised opposition to the centralisation that had developed throughout the 1980’s by highlighting the ‘new magistracy’, which had grown up. They generated resentment against ‘English’ Secretaries of State for Wales imposing their unpopular policies on the Welsh electorate; “never in the history of the secret ballot have the Conservatives won a majority in Wales”, Ron Davies thundered to Labour Party audiences\(^\text{125}\).

By being able to capitalise on the unpopularity of the Conservative Government and on the ‘democratic deficit’ that had accrued, those advocating an Assembly in the early 1990’s had an armoury which was denied to the pro-devolutionists in the 1970’s. Whereas the advocates of a Welsh Assembly in the Labour Party at the time of the 1979 referendum were criticised for concentrating on “the intellectually satisfying, but emotionally arid democratic argument”\(^\text{126}\). Those in the Labour Party arguing for an Assembly in the 1990s were able to make a virtue of concentrating on the ‘democratic deficit’. Ron Davies was able to proclaim with confidence, and to great effect, that “there is now an urgent need for a re-think about the way we are governed…Westminster cannot any longer hold the Welsh office to account”\(^\text{127}\).

By making devolution his priority issue and by persuading enough people in the Labour Party that a Welsh Assembly was “a necessary and inextricably linked element of Labour’s approach to the transformation of our society”\(^\text{128}\), Ron Davies had not only reasserted

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\(^{125}\) Ron Davies in a speech to the Carmarthen East & Dinefwr Labour Party annual dinner in January 1996.

\(^{126}\) John Osmond, ‘Mr Morris and the Elephant’ *Planet*. No.48, May 1979

\(^{127}\) Wales Labour Party Press Release, 3 April 1995

\(^{128}\) Letter from Ron Davies, 18th August 1995
devolution onto the agenda of the Wales Labour Party, but he had placed at the centre. In parallel to this campaign Ron Davies was fighting on another front to shape the nature of the Assembly. While he may have been winning the battle in the Labour Party as a whole to make devolution the centrepiece of the Party’s agenda, he was losing the battle within the Policy Commission over the powers of an Assembly. The vision which was being shaped was not his.
The decision to establish a Policy Commission after the 1992 General Election followed the precedent set by the formation of a Working Group to look at Local Government reform after the 1987 General Election. Both bodies initially served to deflect pressure for the Labour Party to take part in cross-party discussions and both bodies also engaged in a wide-ranging consultation process, first within the Labour Party and later with outside interests. The ‘consultation’ however was largely cosmetic.

In its interim report in May 1993, the Policy Commission recommended that further detailed examination of the Assembly’s powers be carried out, alongside a wide-ranging consultation process. In July 1994 the Commission published a consultative paper which set out four options on the powers of the Assembly. The options were: a statutory duty on the Secretary of State for Wales to consult with the Assembly; legislative powers covering the existing powers of the Welsh Office; legislative powers covering all areas except UK wide responsibilities; and the power to make secondary legislation. In-turn the Policy Commission held a series of public consultation meetings throughout Wales in the autumn of 1994 and invited submissions from Welsh public bodies as well as other political parties.

Gareth Hughes, a Welsh-speaking member of the Policy Commission who is regarded as being on the ‘nationalist’ wing of the Party, claims that the majority of the submissions to the

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131 Caernarfon, Mold, Swansea, Cardiff, Llandrindod Wells and Aberystwyth
Commission were in favour of Primary legislative powers being devolved to a future Welsh Assembly. “The policy documents did not reflect what the Party submitted in evidence”, Hughes claims\textsuperscript{132}. Indeed, the final report of the Policy Commission, \textit{Shaping the Vision}, noted that “most respondents wished to see the Assembly having a defined legislative role”. However it went on to state that its decision was that the ‘defined legislative role’ should be the power to make secondary legislation only. “The Commission does not believe that the case has been established for general powers of primary legislation to be devolved to the assembly” the Policy Commission report stated\textsuperscript{133}. While the Commission took into full account the responses to the consultation, one senior party official told me, “the commission had to use its own judgement in coming to a decision as to what the final position they recommended was”\textsuperscript{134}.

According to Rhodri Morgan, who as one of the frontbench spokesmen on Welsh affairs attended some of the Policy Commission meetings as an observer and attended most of the public hearings,

> There was a weight of opinion, I would say probably three quarters of the people present who were engaged in debate about devolution, who wanted primary legislative powers but I would say there was an overwhelming weight of evidence against tax varying powers\textsuperscript{135}

The question of tax varying powers was a non-starter; even the proponents of a strong model of devolution did not advocate revenue raising powers for the Assembly\textsuperscript{136}. Ron Davies

\begin{footnotesize}
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\item \textsuperscript{132} Interview with Gareth Hughes, 29\textsuperscript{th} May 1997.
\item \textsuperscript{133} \textit{Shaping the Vision} – a report on the powers and structure of the Welsh Assembly, 20\textsuperscript{th} May 1995. Wales Labour Party, Cardiff.
\item \textsuperscript{134} Interview with Senior Labour Party official, 29\textsuperscript{th} May 1997
\item \textsuperscript{135} Interview with Rhodri Morgan, 6\textsuperscript{th} May 1998.
\item \textsuperscript{136} The exception being Gareth Hughes, a member of the Executive from the Caerphilly constituency and founder member of Wales Labour Action, which campaigned for parity with Scotland.
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maintained throughout that the case for giving an Assembly tax-raising powers was not a strong one. The Policy Commission also shared Davies’s view. One of the very few submissions in favour of the power to vary taxes served to concentrate the minds of the Policy Commission members on “the electoral disadvantages of that kind of model”\textsuperscript{137}. In the public consultation meeting in Mold, the former Chief Executive of Clwyd County Council and an active member of the Parliament for Wales Campaign, Mervyn Phillips, presented a “fairly grandiose scheme”, in the words of one Labour Party official. In his presentation Phillips advocated a scheme based largely on the Scottish model, including the power to vary taxes by 3\%. This was duly portrayed by Clive Betts on the front page of the next day’s \textit{Western Mail}, as WAT (Welsh Added Tax) ‘Labour tax raising Assembly 3p in Pound’\textsuperscript{138}. This also confirmed Ron Davies’ belief that advocating revenue-raising powers would only detract from the principle of devolution:

\begin{quote}
We were fighting to make a significant change and I wanted to concentrate on that change. I also felt, and subsequent events have proved me correct, that the argument on tax-raising power would concentrate on whether there was going to be 3p or 4p or 5p. There were political reasons I didn’t want to fight on that\textsuperscript{139}
\end{quote}

John Osmond also correctly makes the point that underlying Labour’s opposition to tax-varying powers was a strong feeling that Wales has a relationship of “economic dependency” with the rest of the United Kingdom and nothing should be done to upset the status quo in that regard\textsuperscript{140}. Osmond, of course, portrays this in more colourful terms, arguing that it betrays a “deep-seated insecurity” on behalf of the Labour Party. Alongside electoral expediency, however, the motivation for the Labour Party’s position is the simple economic

\begin{flushright}
\textsuperscript{137} Interview with senior Labour Party official, 29\textsuperscript{th} May 1997.  \\
\textsuperscript{138} Interview with Rhodri Morgan, 6\textsuperscript{th} May 1998. I am also grateful to Andrew Bold for this information.  \\
\textsuperscript{139} Interview with Ron Davies, 16\textsuperscript{th} August 1997.  \\
\end{flushright}
fact that the Welsh economy has a Gross Domestic Product per head which is just 83% of the UK average and Welsh average earnings are more than 10% below the British norm\textsuperscript{141}. “The hard pressed people of Wales already have got a slow GDP and cannot take the extra burden of additional taxation” Ron Davies argues\textsuperscript{142}. The debate over the power to vary taxes was therefore clear-cut.

The debates over whether to endow the Assembly with powers to make primary legislation and the debates over the nature of the electoral system for Assembly elections were far more contested however. At a meeting of the Policy Commission in January 1995, a package of measures was agreed to strengthen the model of devolution in the final report to be presented to the Wales Labour Party conference that May\textsuperscript{143}. The package that was agreed included awarding the proposed Assembly with powers of Primary Legislation in areas where there was already an established Welsh competence – namely Local Government in Wales, the Welsh language and powers over the All-Wales layer of Quangos. The Policy Commission also agreed to adopt the Additional Member System of Proportional Representation for elections to the Assembly\textsuperscript{144}. “The meeting went very well and there was very little opposition”, Rhodri Morgan recalls, “As far as Wales was concerned this was the full model of devolution”, he added\textsuperscript{145}.

At the next meeting of the Policy commission, which was held after the Islwyn By-election, those people who supported a modest model of devolution were absent while those who supported a minimalist model were all present. According to Gareth Hughes “a whole group

\textsuperscript{141} Shaping the Vision – a report on the powers and structure of the Welsh Assembly, 20\textsuperscript{th} May 1995. Wales Labour Party, Cardiff. P.5

\textsuperscript{142} Interview with Ron Davies, 16\textsuperscript{th} August 1997.

\textsuperscript{143} Interview with Rhodri Morgan; Interview with Gareth Hughes; and private information.
of them” turned up to the meeting, although they hadn’t been for a while, and they moved the policy away from the package of measures agreed at the previous meeting. Kim Howells recommended to the Commission that it adopt a minimalist model of devolution. “This created something of a sensation” and turned the event into “a fairly noisy meeting”, Rhodri Morgan recalls. “We realised that something was going on, as it were, and that there was a mood to cut devolution back to a minimalist model” Morgan added. The vision of the pro-devolutionists on the Policy Commission was beginning to lose its shape.

Kim Howells had been co-opted onto the Policy Commission during the drafting stage of the final report in his capacity as the Labour Party’s spokesman on constitutional reform. Howells was part of the Opposition front bench team, led by Jack Straw (not noted for being an enthusiast for devolution) with a broad remit over constitutional issues including reform of the House of Lord and English Regional Government. His brief was to stress the primacy of the national Labour Party policy, which as far as he was concerned saw a Welsh Assembly as a body with minimal powers. “We were trying to keep some consistency in the approach of the Labour Party towards the whole devolution question”, Kim Howells told me:

It was always a case that party policy had been that the Welsh Assembly would not have primary legislative and tax-raising powers…but there were pressures and very fierce debates inside the Commission about whether or not there ought to be primary legislative powers and I felt that if that was the case we wouldn’t win the referendum in Wales.

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144 These measures were supported by Ron Davies, Rhodri Morgan, Gareth Hughes and Jim Brandon.
145 Interview with Rhodri Morgan, 6th May 1998
146 Interview with Gareth Hughes, 29th May 1997
147 Private information
148 Interview with Rhodri Morgan, 6th May 1998
149 Interview with Kim Howells, 15th May 1998
Kim Howells stressed that his brief was to ensure consistency in the Labour Party’s approach to devolution in different parts of the United Kingdom. Nonetheless he argued in favour of a referendum, which was not Party policy for Scotland although it was for any English region who wished to have an Assembly, and he also argued against a proportional voting system, which was Party policy in Scotland\(^\text{150}\). So much for consistency. It is suspected by pro-devolutionists within the Wales Labour Party that Kim Howells was inspired by Jack Straw, then the Party’s spokesman on Home Affairs, to resist pressure from Ron Davies and Rhodri Morgan to create a strong model of devolution in Wales\(^\text{151}\). “Of course I told Jack what my opinions were…but Jack Straw and I never discussed it in those terms, you know ‘you get down to Cardiff and sort it out’”, Kim Howells says in his defence\(^\text{152}\).

The advocates of a ‘moderate’ model of devolution on the Policy Commission, led by Kim Howells and Terry Thomas, were successful therefore in securing a minimalist legislative role for the assembly. However, the Policy Commission was unable to reach an agreement on the question of which voting system should be adopted. The final report noted that:

> Amongst those who responded to the consultation, views were evenly split between those who favoured the retention of the existing first-past-the-post method of election and those who opted for a system which would reflect more accurately the proportion of votes cast\(^\text{153}\)

Consequently, the Commission decided to present two options to the Wales Labour Party Executive Committee to consider, which in-turn would then recommend one to the Welsh Conference. The two options were: The first-past-the-post model, with a man and a woman elected from each of the 40 Westminster constituencies; and an Additional Member System,

\(^{150}\) ibid.  
\(^{151}\) Private information  
\(^{152}\) Interview with Kim Howells, 15\(^\text{th}\) May 1998
which involved the first-past-the-post model plus an extra four members to be elected from each of the five Welsh European groupings of seats. The Executive Committee subsequently took the view that since there was not a majority for any particular system of PR it was better to maintain the status quo\textsuperscript{154}. This view was which in-turn supported by the Wales Labour Party conference in Llandudno on 20th May 1995.

The vision agreed in May 1995 did not take the shape advocated by the pro-devolutionists on the Policy Commission, notably Ron Davies. The advocates of a ‘minimalist model’ of devolution won the battles over primary legislative powers and over Proportional Representation. Nonetheless by engaging the less enthusiastic forces within the Wales Labour Party in a debate within the Policy Commission, the pro-devolutionists were successful in tying them into a compromise which was placed at the top of the Labour Party’s agenda for Wales. Far from being ‘dead in the water’, a Welsh Assembly was at the heart of the Labour Party’s programme for Government – just eighteen and a half years after it had been “tossed into a ditch of irrelevance”.

\textsuperscript{153} Shaping the Vision – a report on the powers and structure of the Welsh Assembly, 20\textsuperscript{th} May 1995. Wales Labour Party, Cardiff. P.7
\textsuperscript{154} Interview with senior Labour Party official, 29\textsuperscript{th} May 1997.
Conclusion

The development of the devolution debate within the Labour Party in Wales in the aftermath of the humiliating referendum result, is further evidence that devolution is like the dog that wouldn’t die. From the formation of the Labour Party at the turn of the Century, devolution has refused to go away for long. In 1895 Keir Hardie voted for a Welsh Parliament. For Hardie there was no conflict between national identity and socialism, “Have you Red Dragon of Wales”, he told his constituents in 1908, “but have it blazoned on the Red Flag of International Socialism”\textsuperscript{155}.

While the British Labour Party conference passed a resolution supporting the establishment of an elected welsh Assembly in 1918, the growth of international socialism along with an increasing preoccupation with centralisation saw devolution become a “dead letter”\textsuperscript{156}. By 1964 devolution was back on the agenda and the Labour Government created the office of Secretary of State for Wales. In 1979 the Labour Government placed the option of a directly elected Assembly before the Welsh electorate. Which brings us back to the beginning of this dissertation. The theme throughout the history of the Labour Party in Wales is of devolution falling, only to rise again.

As David Jenkins, the leader of the Wales TUC, put it:

I don’t think, if the party nationally had said in the late 1980s we would like you to start thinking about moving towards having a Welsh Assembly with no regional Assemblies and the strong possibility of another referendum, the Labour Party in Wales would have run a million miles away from it. They would have seen it as an absolutely stupid concept…but having gone down the route they didn’t want to retract from it either\textsuperscript{157}

\textsuperscript{155} Keir Hardie MP, (1912) \textit{The Red Dragon and the Red Flag}. Merthyr. P.14

As I have argued in this dissertation, the re-emergence of devolution onto the Labour party’s agenda during between 1979-1995 is attributable to a number of different factors working alongside each other. The desire to reform Local Government, the shift away from interventionism and the adoption of a new constitution, which placed emphasis on decisions being taken “as far as practicable by the communities they affect”\(^{158}\). The self-propelling nature of the ‘committee jungle’, which determined Labour party policy during the 1980s, the growth of a democratic deficit and the leadership of Ron Davies. The culmination of all these factors accounts for the position reached by 1995. It seems to have happened without some people even noticing. But as the legendary Welsh Trade Union leader of the 1950’s prophesised:

> The words of old Welsh proverb ‘Bach hedyn Pob mawredd’ (Mighty oaks from little acorns grow) are perfectly true, and who knows but that one morning we shall wake up and find to our surprise that we have already achieved a measure of self-government beyond all our expectations\(^{159}\)

\(^{157}\) Interview between Bethan Lewis and David Jenkins on 23\(^{rd}\) March 1998  
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