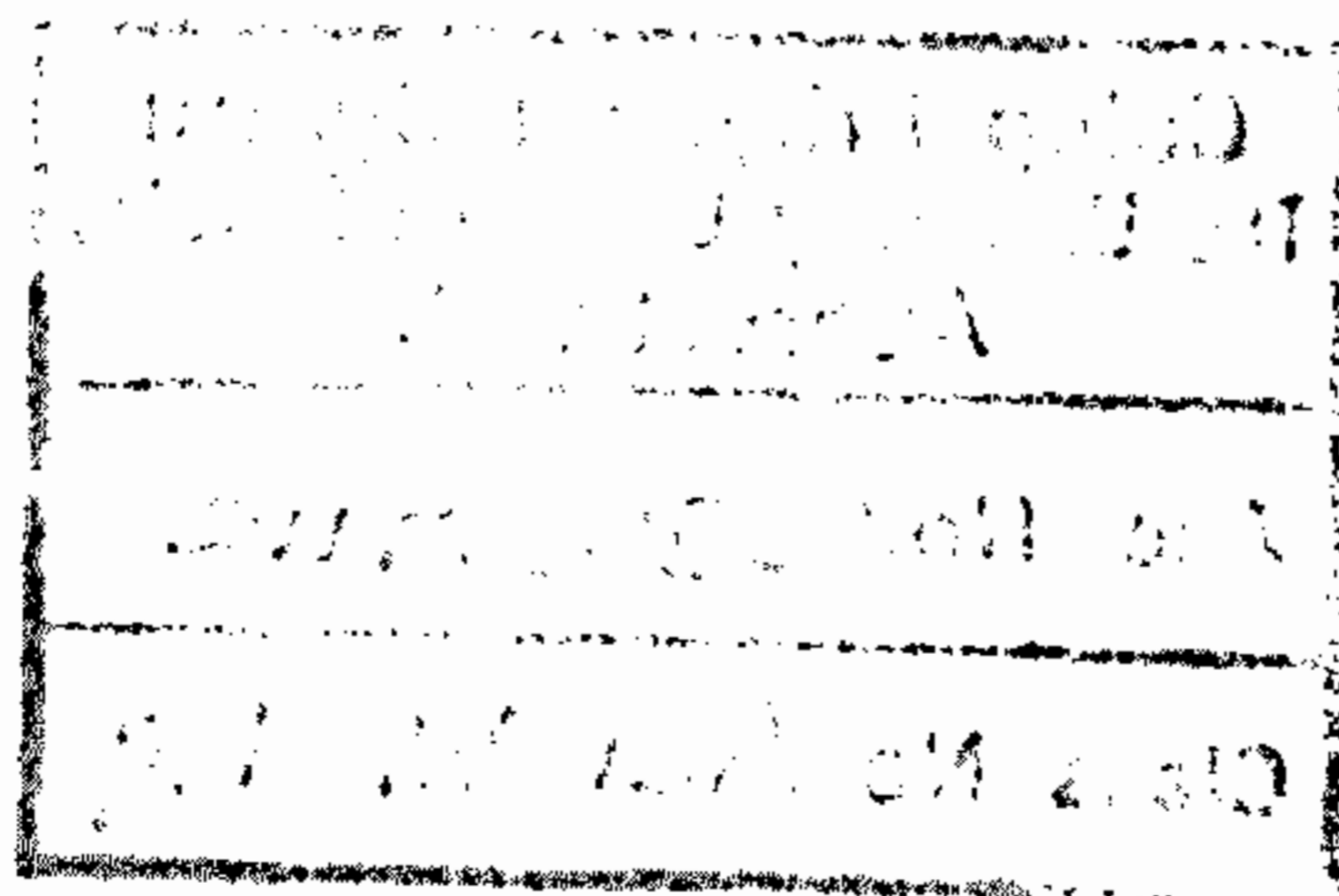


The State and Agriculture in Rural Wales

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DECLARATION

I hereby declare that the work submitted in this thesis for the Degree of Doctor of Philosophy is the result of my own investigation, except text.

Candidate:

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CERTIFICATE

I hereby certify that the work embodied in this thesis has not already been submitted in substance for any other Degree, and is not currently submitted in candidature for any Degree.

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## SUMMARY OF THESIS

The thesis examines the role of the state in the agriculture sector with particular emphasis on policy formation and its effects on rural Wales.

Sociological theories of the state are examined and an 'institutional' approach is adopted which focusses attention on the institutional actors in the policy process. Policy is made by these actors albeit under certain external constraints.

A brief analysis of state intervention in the UK is provided. This is treated historically and traces the changing pattern of state involvement in the industry.

Likewise, the UK policy process is briefly examined and the main institutional actors are identified.

At the Welsh level, the effects of state intervention on the structure of Welsh agriculture are documented. This is also treated historically. Attention is then directed to the Welsh institutional actors and their role in the agricultural policy process. In particular, the role of the Farmers' Unions is examined, looking closely at their relationships with state agencies.

The activities of non-agricultural state agencies operating in rural Wales are also examined. The question is asked whether the traditional dominance of agricultural policy in the Welsh rural areas is about to come to an end. While some evidence is put forward to support this, the situation is by no means clear and no definitive answer can be provided.

In conclusion, it is argued that the effects of past agricultural policies on the communities of rural Wales have been extremely damaging, and some reorientation of policy is clearly needed. However, the institutional analysis indicates that such a reorientation will be extremely difficult to achieve.

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## LIST OF ABBREVIATIONS

|       |  |
|-------|--|
| ADAS  | - Agricultural Development and Advisory Service        |
| BRE   | - Brecon and Radnor Express                            |
| CN    | - Cambrian News  |
| CJ    | - Carmarthen Journal                                   |
| COPA  | - Committee of Professional Agricultural Organisations |
| CAP   | - Common Agricultural Policy                           |
| CAM   | - Council of Agriculture Ministers                     |
| CPRW  | - Council for Protection of Rural Wales                |
| CLA   | - Country Landowners Association                       |
| CC    | - Countryside Commission                               |
| DP    | - Daily Post   |
| DF    | - Dairy Farmer   |
| DoE   | - Department of the Environment                        |
| DBRW  | - Development Board for Rural Wales                    |
| EAGGF | - European Agricultural Guarantee and Guidance Fund    |
| EC    | - European Community                                   |
| EEC   | - European Economic Community                          |
| FS    | - Farmer and Stockbreeder                              |
| FG    | - Farmers Guardian                                     |
| FUW   | - Farmers Union of Wales                               |
| FW    | - Farmers Weekly                                       |
| FT    | - Financial Times                                      |
| FC    | - Forestry Commission                                  |
| FEOGA | - See EAGGF  |
| LFA   | - Less Favoured Area                                   |
| MMB   | - Milk Marketing Board                                 |
| MAFF  | - Ministry of Agriculture; Fisheries and Food          |
| NAAS  | - National Agricultural Advisory Service               |
| NFU   | - National Farmers Union                               |
| NC    | - Nature Conservancy                                   |
| NCC   | - Nature Conservancy Council                           |
| WDA   | - Welsh Development Agency                             |
| WF    | - Welsh Farmer and Y Tyr                               |
| WO    | - Welsh Office   |
| WOAD  | - Welsh Office Agriculture Department                  |
| WTB   | - Welsh Tourist Board                                  |
| WM    | - Western Mail   |



## INTRODUCTION

By the mid 1980's sociological theories of the state seemed to have collapsed into disarray. The near-establishment of a structuralist marxist orthodoxy had given way to a variety of competing approaches, none of which was able to establish any kind of predominance.

In this situation an attempt to analyse the modern state was likely to be thrown back to what had often been neglected in the 1970's, namely empirical analysis. The structuralist marxist approach, whose rise and fall will be briefly considered in Chapter One, tended to impose a closed theoretical system on any field of study, therefore what was distinctive about that particular field tended to be subsumed under what resemblances it held to the use of the theory elsewhere.

With the passing of this approach the way was opened for theorising which grounded itself much more fully in distinction, and in history. The analysis of state activity in one area of social life did not necessarily have to confirm that in other areas. Rather than imposing research concerns from above these concerns could now surface from below, ie, through actual empirical analysis. (This is not to argue of course, that empirical analysis is theoretically 'neutral' which of course it is not, but that more flexible, open-ended theoretical tools would tend to be guided more substantially by research).

It was in this context that this research was undertaken. Analysis of the state was deemed to be most effectively undertaken by the use of a case study.

Agriculture was chosen as the area for analysis for a variety of reasons. Firstly, and most obviously, the state was deeply involved in this economic sector; more so than in most others. Secondly, the extent of this involvement, and its consequences, had come under a considerable amount of scrutiny in the mid-1980's, both inside and outside the state. Given that there appeared to be some kind of reorientation of state involvement in the industry underway, this seemed an opportune moment to review this intervention and chart possible future developments. Thirdly, relatively little work had been undertaken on the regional effects of state support for agriculture, particularly in Wales. While there had been extensive coverage, particularly in the agricultural economics literature, on the rationale behind the state's activities in agriculture, and their national consequences, little attention had been paid to the localised effects or, more importantly; how the localities and regions came to be drawn into these activities. Wales is a particularly useful area for such a study as it is distinguishable from other areas in many respects: it is generally regarded as being a country; it has a sense of national identity (expressed most obviously through the Welsh Language); it has its own political institutions; and its agricultural industry retains a distinctive character (see Chapter Four).

By focussing the analysis in this way several problems of conceptualisation could be overcome. Firstly, the state should be distinguished from the nation-state. Although the state exercises power over a given area the conflation of 'state' and 'nation-state' gives the misleading impression that such power is exercised in a standardised homogeneous manner over the whole territory. Spatial analysis has often been lacking in state analysis. Secondly, focussing on a particular sector, and a particular

geographical area, necessitates going beyond seeing the state as a unified entity and fixes our attention on the agencies responsible for exercising state authority in this area. This is not to rule our reading back some unification of state agencies but this should not be assumed beforehand. This needs to be demonstrated.

However, in one crucial respect focussing on agriculture does simplify another conceptual problem. One of the most striking aspects of agricultural policy has been its continuity since its introduction in World War Two. Various governments have differed very little over the essentials of the policy. This distinguishes agriculture from other policy sectors, such as, for instance, industrial policy. In what follows therefore little attention will be paid to 'governments' and in fact the words 'state' and 'government' will be used interchangeably. Because of the strong continuity in policy the distinctions which are often drawn in state analysis between 'government', 'civil servants', and 'the state' are considerably blurred. Therefore little attempt will be made to distinguish one from another. This is not to argue that such distinctions should not be drawn but is merely to point out that, in this particular case, they are of decreased importance.

The agricultural policy arena is characterised by the existence of many institutions attempting to impose their concerns on the policy process. Some of these institutions are highly influential, others less so. In order to make this study manageable it was decided at the outset to restrict the analysis to those groups directly involved in the policy process. This of course meant concentrating particularly on state agencies and the farmers' unions. Other groups, such as the CLA, which have also,

traditionally, been effective lobbyists have not been directly involved in the policy process in quite the same way. While this erects a rather artificial barrier between what could be termed 'insider' and 'outsider' groups, it does allow us to concentrate more fully upon processes of policy formulation, as opposed to mere consultation and the more traditional 'lobbying' practices.

The study is broken up into two parts. Part One deals with general introductions; to state theory (Chapter One), to agricultural policy in the United Kingdom (Chapter Two) and to the policy process at the central state level (Chapter Three). This prepares the way for the more detailed analysis of agriculture in Wales (Chapter Four), the Welsh policy process (Chapter Five), and the relationships between the variety of state agencies involved in rural Wales (Chapter Six). We conclude with a consideration of state theories in the light of the study, and some of their implications for rural Wales, in Chapter Seven.

It should be noted here that interview material is included in the analysis. A series of twenty-three interviews were undertaken with key representatives in the Welsh agricultural sector<sup>(1)</sup>. The interviews lasted, on average an hour and a half and were tape-recorded. Selective quotes have been used to illustrate certain points. Where these are used they are denoted by (interview).

Each organisation was approached with the intention of speaking to its most senior officers on the assumption that they would be able to give a broad account of the organisation's role and its relationship with other such

institutions. In most cases this was successful particularly in regard to the farming unions.

The value of these interviews lay not just in the primary source material gained but also in the 'glimpses' they provided of the environment and personalities of the processes under consideration. Furthermore they reinforced the view that the practice of consultation and negotiations takes place between individuals rather than institutions. So while these interviews were conducted with actors who gave their own institutions' 'line' on Welsh agriculture and the practice of politics, these were the actors own particular accounts. Clearly this raises theoretical issues about the extent to which interviews with individual actors can shed light on questions relating to institutions and structures. Without wishing to enter into the complexities of such debates (see Ward 1987, for a general discussion on the relationships between structure and individual autonomy) we can say that there is a dialectic at work here between the individual actors' own perception of his/her role and that imposed by the institutional complex within which he/she is enmeshed. For that reason alone the interview material is not seen as the major resource for the analysis which follows; rather it provides a useful source of primary material which complements that derived from other sources, eg. press and parliamentary material.

The interviews themselves were conducted in an unstructured way, guided by a list of topics to be covered. This approach allowed the respondents ample opportunity to range across many subject areas but enabled the interviewer to steer the conversation in the desired direction.

Other fieldwork undertaken included attendance at Farmers Union of Wales and National Farmers Union (Wales) meetings both at branch and (Welsh) national levels. Material collected has not been explicitly analysed here but these experiences contributed to a working understanding of how union affairs are conducted. Once again this adds a personal dimension to the research enabling an easier understanding of how individual interactions are institutionally structured.

#### Notes

- (1) The interviews took place with representatives from the following organisations (the number of representatives for each is denoted in brackets):-

Welsh Office Agricultural Department (3)  
Agricultural Development and Advisory Services (1)  
Farmers Union of Wales (6)  
National Farmers Union (Welsh Council) (3)  
Country Landowners Association (1)  
Dyfed Farmers Action Group (2)  
Meat and Livestock Commission (1)  
Welsh Agricultural Organisation Society (1)  
Countryside Commission (1)  
Council for the Protection of Rural Wales (1)  
Development Board for Rural Wales (1)  
Forestry Commission (1)  
Transport and General Workers Union (1)

These interviews were held between November 1986 and June 1987.

PART ONE

## CHAPTER ONE : THE STATE AND THE POLICY PROCESS

In this chapter we will attempt to find a way through the myriad of theories of the state so that some kind of agenda for research can be sketched out. These theories will be treated, in the main, chronologically, beginning with the pluralist paradigm, dominant in the 1940's and 1950's, through the Marxist debates of the 1970's to the more theoretically pluralistic approaches of the 1980's. Attention will be paid in particular, to conceptualisations of the state, and its relationship with civil society, as these may inform the research which is to follow. This will mean skirting over some of the more abstract and philosophical concerns which have characterised state theory particularly in its marxist versions. While what is provided here is by no means a comprehensive survey of recent state theory (see for example King 1986) it is hoped that the main debates and concerns of recent years will be touched upon. The emphasis, however, is on making such theories manageable and empirically useful.

### (1) The 'State in Capitalist Society' and the 'Capitalist State'

It has become commonplace for text book accounts of state theory to begin with a characterisation of pluralist theory which seems to bear little resemblance to actual practising pluralist analysis.



Pluralism has been characterised as "the official ideology of capitalist democracies" (Carnoy 1984, p10). As such it is held to embody certain key components; these are as follows: Essentially, there are many power centres in the political system and, therefore, many determinants of the distribution of power. Modern democracies are characterised by the competition of many groups, no one of which can monopolise power. In the process of competition these groups exercise countervailing power against each other, ensuring that such competition is relatively 'smooth' and 'fair'. This view of the political system has been likened to neo-classical utility theory, where consumer sovereignty is paramount. In a purely competitive market, power lies with the consumer, in the political sphere it ultimately lies with the voter (Ibid, p36). The state, although not usually prominent in pluralist accounts, adjudicates and mediates between the demands of the competing groups. In the process, however, "the state becomes almost indistinguishable from the ebb and flow of bargaining, the competitive pressure of interests" (Held 1983, p40). It is the 'guardian' of the public interest and is strictly neutral with respect to other interests in society.

This characterisation of pluralist theory (perhaps a misnomer as pluralism tends to pride itself on being relatively 'atheoretical') is borne out by another attempt to capture the essence of the concept, recently put forward by two pluralist authors:

"[Pluralism] ... seems to hold that policy is best made through a competition of viewpoints; that valid representation of the public is made through the leadership of interest groups; that the groups influential in one area will not necessarily be powerful elsewhere; that decisions are not all made centrally, but at different levels; that

participants show a willingness to bargain and to compromise" (Jordan and Richardson 1987, p46).

While this puts a different emphasis on some points, essentially the key notion is that competition between various interests is 'smooth' and 'fair' and ultimately for the public good<sup>(1)</sup>.

It was against this general position, and its perceived hegemony in political science and political sociology (notwithstanding its status as the 'official ideology' of capitalism) that marxist critics concentrated their attack in the late 1960's and early 1970's. Foremost here was Ralph Miliband's seminal work 'The State in Capitalist Society', published in 1969.

Miliband characterised the pluralist position in terms similar to those used above:

"[In pluralism] ... the state, subjected as it is to a multitude of conflicting pressures from organised groups and interests, cannot show any marked bias toward some and against others: its special role, in fact, is to accommodate and reconcile them all. In that role, the state is only the mirror which society holds up to itself" (1973 edition, p6).

Against this representation of the state and the political process Miliband showed, in terms derived from pluralism itself, that the state in capitalist society furthered the interests of the capitalist class over the working class. According to Miliband there were various reasons for this: the state tends to recruit its personnel from the same social background as that of 'businessmen' (eg "sixty four per cent of the executives of the one hundred largest British

companies bore that significant hallmark of membership of the upper and upper-middle classes, namely that they attended public schools" (p35) and "the men who have manned all command positions in the state system have ... been drawn from the world of business and property, are from the professional middle classes" (p61)); consequently "business men and their representatives normally have a rapport with ministers, civil servants and other members of the state elite which is very different from that of labour and its representatives" (p145); in turn, this ensured that the interests of this class were furthered by the state, not in every instance, but in general. Miliband shows, quoting Schattschneider that "the flaw in the pluralist heaven is that the heavenly chorus sings with a strong upper-class accent ... the system is skewed, loaded and unbalanced in favour of a fraction of a minority" (quoted in Miliband, op cit p147).

Milibands' main target then, was this "pluralist heaven" of 'smooth' and 'fair' competition. This is why he painstakingly took apart the pluralist position on its own terms, albeit from an ostensibly marxist viewpoint. Ironically it was from another marxist, Poulantzas, that the most serious criticism of Miliband's approach came.

The details of the Poulantzas- Miliband debate are well-known and there seems little point detailing all its features here. Yet the essentials of this dispute map out the parameters of Marxist state theory in a particularly useful fashion. We shall, therefore, pluck out the main points at issue.

What Poulantzas objected to in 'The State in Capitalist Society' was Miliband's use of pluralist terminology and his attempt to confront the 'theory' on its own terms.

"What Miliband avoids is the necessary preliminary of a critique of the ideological notion of elite in the light of the scientific concepts of Marxist theory. Had this critique been made, it would have been evident that the 'concrete reality' conceded by the notion of 'plural elites' - the ruling class, the fractions of this class, the hegemonic class, the governing class, the State apparatus - can only be grasped if the notion of elite is rejected" (Poulantzas 1969, p70).

This kind of approach failed in one crucial respect: it did not, and could not, establish the 'unity' between the bourgeois class and the state as an "objective relation" (Ibid, p73). Therefore, to focus on the interpersonal relationships between state and capitalist agencies was to focus on not the cause but the effect of this objective relation (Ibid).

"If Miliband had first established that the State is precisely the factor of cohesion of a social formation and the factor of reproduction of the conditions of production of a system that itself determines the domination of one class over the others, he would have seen clearly that the participation, whether direct or indirect, of this class in government in no way changes things" (Ibid).

In this "objective relation", individuals were merely the "bearers" of the determinate structures of capitalist society. Therefore, to focus on elites, on social background, on the links between state and business, was largely irrelevant. In the capitalist mode of production the state can only be a 'capitalist state'.

Despite the obviously deterministic implications of this formulation, Poulantzas tried to open up some space for autonomous action by the state and in fact took Miliband to task for failing to do this:

"... if one locates the relationship between the State and the ruling class in the social origin of the members of the State and their inter-personal relations with the members of this class, so that the bourgeoisie almost physically 'corners' the State apparatus one cannot account for the relative autonomy of the State with respect to this class" (Ibid, p74).

By "relative autonomy", Poulantzas tried to show that the separation, in advanced capitalism, between the political form and the economic form allows the state the appearance of autonomy from the dominant class. However, this autonomy, is only relative because, 'in the last instance', the state must function (objectively) as "the factor of cohesion of a social formation and the factor of reproduction of the conditions of production ..." (Ibid, p73).

In response, Miliband described Poulantzas's structuralist approach as "structural super-determinism" (1970, p157). To stress, exclusively, 'objective relations' "suggests ... that what the state does is in every particular and at all times wholly determined by those 'objective relations'" (Ibid). Therefore, Miliband points out, there is no difference between a liberal constitutional state or a fascist one.

Here, Miliband's more pluralistic marxist approach is set squarely against Poulantzas' structuralism. While in the course of this debate both modified their positions to accommodate the others

critique, neither could escape the initial weakness of their respective positions. Poulantzas, in particular, attempted to find some way out of the corner he had boxed himself into. Where, for instance, was the notion of class struggle in his formulation? If the state always, in the last instance, served to reproduce the capitalist mode of production then there was little point in the working class attempting to 'colonise' the state. Poulantzas tried to sidestep the deterministic implications of this position by arguing for an approach to the state which, while emphasising its role in maintaining social cohesion and reproducing class domination, regarded the state apparatus as "... inherently marked by the class struggle - class struggle and the state apparatus can not be separated" (1975, p26). Here, the degree of relative autonomy of the state is determined by the "precise conjuncture" of the class struggle (Jessop 1982, p182).

Poulantzas is now conceiving the relative autonomy of the state in two ways; structuralist and conjunctural. On the one hand, the form of the state is determined by the objective social relations of the capitalist mode of production and the specific characterisation of the separation of the political and economic spheres, while, on the other, some kind of primacy is given to class struggle within the state. However, as Jessop points out, this "introduces a fundamental contradiction into his analysis" (Ibid, p183). As the state is marked by class struggle, state policies could be contradictory in their effects in the short term, but in the long term they must correspond to the interests of the dominant class and facilitate the reproduction of the capitalist mode of production. Poulantzas

therefore remains trapped in "structural super-determinism". This made him "assume what has to be explained about the relationship of the state to classes in the capitalist mode of production" (Miliband 1973, p89).

Poulantzas' influential intervention it seems bought us no nearer an understanding of the relationship between the state and civil society. However, this is not a view shared by Jessop, who argued that Poulantzas, took marxist theory beyond "instrumentalism" (Miliband's approach was characterised thus) or notions of the state as a 'subject'. Poulantzas' characterisation of the state as a "social relation" made possible its investigation "in terms of the complex interaction between the ... 'institutional materiality' of the state apparatus (its form) and the balance of forces involved in political action" (Jessop, op cit p191). Jessop attempted to find a way through the "contradiction" at the heart of Poulantzas' (modified) analysis. He argued that the state is located on the terrain of the "social formation" rather than "the pure CMP [capitalist mode of production]" (Ibid, p222) and therefore may be the site for other non-class relations. Furthermore

"we should examine how the particular institutional forms of the state and the character of state intervention affects its ability to secure various conditions of existence of capital accumulation considered as a point of reference, as well as how the nature and course of capital accumulation as form and process conditions the state apparatus and circumscribes the effects of state intervention" (Ibid, p226).

And, "an adequate account of the state must go beyond the forms of representation and intervention to include the internal organisation of the state apparatus itself" (Ibid, p231).

It may be hard for readers not used to tortuous marxist theorising not to appreciate what all this fuss was about. We are, at this juncture, back where we started. Jessop's attempts to escape Poulantzas' deterministic (and it should be added, ultimately functionalist) approach appears to bring him back to asking questions not far removed from those that preoccupy pluralists. In fact, Offe, in a review of Jessop's work points out that it is hard to see what distances this contribution from

"the better part of 'normal' social science as it is conducted in fields such as constitutional theory, political sociology, democratic theory, macro-economics or policy analyses" (Offe 1983).

What Jessop attempted to do of course was find a way for marxist theory to adequately conceptualise the state while avoiding the pitfalls of Poulantzas. In the end he only achieved this by seemingly taking the theory away from central marxist concerns. This was emphasised by McLennan, who, drawing on Jessop's intervention, announced that state theory was now "beyond" marxism and pluralism

"Marxist categories must take their place as an important part - but only a part - of an overlapping series of critical concepts in social thought" (1984, p107).

While McLennan may be correct in seeing state theory as "beyond" (structuralist) marxism it is far from clear that we are beyond pluralism. In terms of the 'story so far', as it is being presented here, we are little further on from where we began.



Despite the multitude of differences between the theoretical approaches so far considered there is one important facet common to them all; each in its own way sees the state "as a permeable, vulnerable and malleable entity" (Nordinger 1981, p3) effectively constrained by external actors and forces. The state itself was not granted any real autonomy from the forces which surround it. Leaving aside for the moment the question of the desirability of an approach which over-emphasises the autonomy of the state, this draws attention to the extent that the state itself is a 'subject', capable of acting in ways which may resist and counteract external pressure. The work of Claus Offe serves as a useful example of how a state-led approach could be combined with the traditional 'society-centred' explanations usually forthcoming for marxisms.

(ii) Offe and the 'Political State'

Offe, like Poulantzas, sees the state as functionally related to, and dependent upon, the capitalist mode of production ('the accumulation process'). The state is dependent on privately owned productive capacity for its revenues and, therefore, must create and maintain the conditions for successful accumulation (1975, p125). However, despite this dependency, the accumulation process does not determine the content of the policy-making process. When problems of accumulation arise the state may be required to intervene in the accumulation process. It will act, however, not because of external pressure or as the instrument of the dominant class but purely out of self-interest, in order to perpetuate itself. Therefore

"the problem of the capitalist state is ... how to establish and institutionalise a method of policy production that constitutes a balance (or reciprocity) between required state activities and the internal structure of the state" (Ibid, p140).

What is striking here is that the state is no longer a 'black box' to be filled by whichever societal interest can exert the strongest pressure but is an actor in its own right, motivated by the need to reproduce itself through the reproduction of the mode of production. However, as Offe points out, an understanding, in these general terms, of state functions is no guide to the policy process.

"The state-owned resources ... are ... merely the raw materials out of which certain outputs have to be manufactured according to decision roles (or "production rules") that the state cannot take from its environment but has to generate for itself. The institutionalised production rules of public policy, their determinants and dynamics, are the key problems in the study of policy formation" (Ibid, p134).

While Offe's analysis avoids the determinism and functionalism inherent in Poulantzas' approach, it does not advance very far our understanding of how and why states act in particular ways, nor does it spell out the complex interconnections between state and civil society. This is of course, because such an approach is too general and abstract and merely indicates the broad constraints under which any state must operate (this is only a very partial account of Offe's work as he, more than most working in the marxist tradition, has systematically studied the policy process of the modern capitalist state. We will draw on this rich vein of analysis in due course).

### (iii) Corporatism

Attempts have been made in recent years to focus attention more fully upon the complexities of the policy process and on the various interconnections between the state and external interests. The most promising line of analysis has tended to come from a body of work generally subsumed under the heading of 'corporatism'. A renewed interest in this concept can be traced from Phillip Schmitter's 1974 essay 'Still the Century of Corporatism'. In this work Schmitter gave a 'classic' definition of corporatism. In 'ideal typical' terms,

"corporatism can be defined as a system of interest representation in which the constituent units are organised into a limited number of singular compulsory, non-competitive hierarchially ordered and functionally differentiated categories, recognised or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports" (pp 93-94).

This Schmitter contrasted with pluralism:

"Pluralism can be defined as a system of interest representation in which the constituent units are organised into an unspecified number of multiple, voluntary, competitive, non-hierarchially ordered and self-determined (as to type and scope of interest) categories which are not specifically licensed, recognised, subsidised, created or otherwise controlled in leadership selection or interest articulation by the state and which do not exercise a monopoly of representational activity within their respective categories" (p96).

Corporatism, therefore, refers to a distinctive mode of policy formation in which the state is drawn into, or initiates, a close relationship with certain "licensed" groups. Pluralism, by continually emphasising the competitive nature of the policy process, is unable to focus so clearly on the institutional arrangements which link the state to civil society. However, the corporatist 'paradigm', while clearly operating at a different level from the abstract marxist theories considered earlier<sup>(2)</sup>, is not so easily differentiated from pluralism. This difficulty was initially compounded by confusion over what exactly corporatism referred to: was it a new form of polity? or was it merely one extreme on a policy making continuum? (for an example of the former view see Winkler 1977, for the latter see Martin 1983). In his original essay Schmitter seemed confused over this issue, for, despite his survey of corporatist relationships in world politics, he argued

"In short, both pluralists and corporatists recognise, accept and attempt to cope with the growing structural differentiation and interest diversity of the modern polity, but they offer opposing political remedies and divergent images of the institutional form that such a modern system of interest representation will take" (p97).

It seems therefore that, in the main, it is a difference of emphasis that distinguishes the two.

Corporatism, thus defined, is concerned primarily with the forms of institutional relations between the state and outside groups. What is not clear however is the role and form of the state. As in pluralism, the state is under theorised. From corporatist analyses certain features of the state can be discerned; for instance, by

focussing on the institutional arrangements binding state agencies to outside groups the state cannot be conceptualised as either a unitary subject, or object. But this begs the question of coherence and coordination within the state apparatus and seems not far removed from the pluralist accounts in which the state became "almost indistinguishable from the ebb and flow" of outside interests.

Schmitter recognised that a clearer conception of the state was needed, but the problems faced in such a task were perhaps greater in the wake of corporatism's concern with the complexities of the policy process.

"What is left is an amorphous complex of agencies with ill-defined boundaries performing a great variety of not very distinctive functions. As a symbolic and systemic totality, the state may still command a relative superiority of coercive power within a given territory and a legitimate authority to use that power to enforce certain norms, but even those capacities are subject to unprecedented contestation and restriction. In short, we are being asked to bring the state back into our analyses precisely when it least resembles what it was historically and theoretically" (1985, p33).

An attempt to construct a general framework for the analysis of the capitalist state, drawing on corporatist insights, was made in the early 1980's, by Cawson and Saunders. This was known as the "dual politics thesis".

(iv) The 'Dual Politics Thesis' and the problem of 'history'

The dual politics thesis grew out of the theoretical accounts which have so far been examined. Cawson and Saunders argued that the concept of 'relative autonomy', derived from Poulantzas, was useful, but only as a description of what the state does; "as a causal explanation it is fatuous and empty" (1983, p9). The unity of the state was abandoned in this formulation and the corporatist focus on the differing modes of policy formation allowed Cawson and Saunders to argue that "different functions serving different interests tend to be discharged in different ways and often through different levels of the state apparatus" (Ibid). Different modes of theoretical explanation, therefore, were required for the different levels.

Following O'Conner (1973), Cawson and Saunders identified three basic functions of the capitalist state: maintenance of production; reproduction through collective consumption; and the maintenance of social order (op cit, p18). Drawing on Offe's (1975) analysis of the policy process they argued that bureaucratic means could not ensure the maintenance of production, (due to "inflexibility" and "lack of innovation"), therefore, "bargains" were struck with outside interests whose involvement would facilitate the formation and implementation of the necessary policies. Thus, 'corporatist' modes of policy formation characterised the state's productive functions. Consumption functions, on the other hand, could be discharged on the basis of standardised, impersonal criteria through bureaucratic structures (eg, social security benefits) and therefore were free of

corporatist arrangements. Furthermore, these differing modes of policy formation could be identified at different levels of the state. At the national level, where most of the productive functions were discharged, corporatist modes were dominant, while local government was pre-eminently the sphere of consumption provision (op cit, pp19-20). Therefore, national politics would be characterised by struggles around the state's productive role (mostly class-based conflicts) while local politics would be concerned with consumption issues, "where people mobilise politically ... over questions of consumption ... as consumers of a particular commodity or service" (Ibid, p24).

This framework took seriously the differing modes of policy formation at different state levels and opened up a space for non-class struggles around state activity. Cawson and Saunders believed that these twin spheres could be analysed in different ways. The "politics of production" could be analysed by means of the 'instrumentalist' approach (eg, that used by Miliband in 'The State in Capitalist Society') while the "politics of consumption" would be better studied using a theory of "imperfect pluralism" (Ibid, pp25-26).

It is worth pointing out, before we turn to the problems with this approach, that what Cawson and Saunders explicitly set out to do here was develop an ideal type, not a model (Saunders 1986, p14). The aim of the ideal type is to illuminate reality by identifying certain conceptual distinctions which make the ordering of reality easier than if we approached it with a 'blank slate'. However, the

shortcomings of this methodology are exemplified in some of the most enduring criticisms of the 'dual politics thesis'. Duncan and Goodwin, for example, argue that "there seems to be little historical rationale or evidence for such rigid divisions between the types of functions and types of politics characterising local and national states" (1988, p35). Although it can be argued that the theory is an ideal type and therefore allows conceptual distinctions to be made prior to empirical investigation, Duncan and Goodwin believe that Cawson and Saunders have drawn their conceptual lines in the wrong places. "It makes no sense to separate a central world of corporatist bargaining concerned with production issues from a local world of competing politics around matters of consumption" (Ibid, p37) if the local state is involved in production functions and the central state in consumption activities. Furthermore, "there seems as little evidence of any firm segregation of political processes by the geographical scale of state institutions" (Ibid, p36).

What this argument points toward is the danger of erecting a theory of the state which relies on a taxonomy derived from an analysis of state functions. Such a thesis may be ill-equipped to trace the state's acquisition of such functions over time. By 'freezing' the analysis at one point in time, the possibility of historical analysis becomes unnecessarily problematic. This is not to deny, as Saunders points out, that ideal types are useful in historical analysis (op cit, p22) but they must be incisive. The dual politics thesis may be too blunt an instrument to enable us to organise and 'cut into' the 'flow of events' that make up human history. This is not to argue that a concentration on the state's acquisition of functions cannot



be grounded in historical analysis. Offe, for example, sees his own work as an attempt to do precisely this. He tried, as he puts it,

"to think of the modern state as a highly complex agency that performs a variety of different historically and systematically interrelated functions which can neither be reduced to a mere reflection of the matrix of social power nor considered as part of an undivided multitude of potential state functions. In order to extend this idea somewhat further one could draw upon the modern tradition of normative political philosophy to reconstruct both the state's cumulative acquisition of functions and, correspondingly the criteria of legitimation through which the holders of political authority have attempted to justify their authority as such" (1985, p4).

A concern with state function therefore merely provides a 'guiding thread' for historical analysis without imposing an a priori concern with structural necessity or taxonomic rigidity.

Offe's recent work has called attention to the "internal complexity and potential inconsistency of functions" (Ibid, p5) which have been acquired by the modern state. In order to maintain this complexity, and to operate effectively, the state has developed "institutional mechanisms of intermediation and communication" with civil society (ibid). What these mechanisms of intermediation are likely to be cannot be predicted "from behavioural surveys of individual preferences or from functionalist analyses of system properties" but from the prevailing "power configuration and organisational opportunities" (Schmitter 1985, p45).

What is still unclear here is the 'autonomy' of the state from these external interests. Does the state have 'interests' of its own? Can it take unilateral action in the face of resistance from powerful

external interests? How far are the "institutional mechanisms of intermediation" thrust upon it through external pressure? Schmitter draws our attention to the active role played by the state in constructing corporatist arrangements. He argues that interest associations will only gain the status of "integral participants" in the policy process with the active cooperation of state agencies (Ibid, p35). The state will enter into such relationships because they relieve authorities of direct responsibility for intervening in matters of considerable complexity (and perhaps controversy) "while retaining their symbolic status as sovereigns and enhancing their real ability as guardians of public order" (Ibid, pp43-44). Both 'partners' in this arrangement therefore have something to offer each other. State agencies can provide "attractive and selective rewards" and can accord "public status" to interest organisations, thus lifting them above any rival representatives, while such organisations can provide information, expertise and, perhaps most importantly, "the compliance of their members" (Ibid p45). Likewise each partner may have something to fear: for the state agency the fear is that in according public status to an outside interest it may become "colonised", therefore losing its "distinctive and exclusive status as protector of the public interest" (Ibid) while the interest organisation may become "co-opted" transformed into a "dependent recipient of public favours and passive agent of state policy" (Ibid).

Clearly, therefore, the existence of such corporatist arrangements presupposes that the state has power and interests of its own. If the state were merely part of the "ebb and flow" of competing groups

there could be no corporatism. Likewise, if the state exercised complete autonomy from interest organisations there could be no corporatism (Cawson 1986, p19).

(v) Class, Interests and the State

What has not been addressed here is the role of class in this process of inter-mediation. This remains ambiguous in the corporatist literature. According to Offe, there is a dilemma here;

"either to transcend the limitations of the pluralism paradigm and base the analysis on categories of class and class conflict or to maintain the basic idea of pluralism. The shortcoming of [the former] lies in its failure to come to grips with the phenomenon of corporatism of non-class organisations ... The alternative ... fails to account for the impact of corporatist arrangements on the terms and institutional channels of class conflict" (1982, p139).

As we saw earlier, Cawson and Saunders dealt with this dilemma by stipulating different levels of analysis for the different spheres of class and non-class politics. However, this may too rigidly distinguish such spheres. Furthermore, it assumes too ready a fit between the productive function of the state and class-based corporatisation, while assuming consumption politics lies outside class-based politics.

The link between class interests and political practice has been subject too much scrutiny in recent work. Hindess, for example, argues

"If politics is reducible to the representation of interests given by some underlying social reality then the representations themselves - the practices of parties, unions, state agencies and the like - are clearly of secondary importance. Rather than consider the social distribution of interests as given to politics from elsewhere, we should consider instead the conditions in which political concerns and interests are formed and the ways in which their invocation may play a role in political life" (1986, p113).

Hindess's target here is the kind of deterministic account of politics found in marxist accounts such as Poulantzas's early formulation on the state. But it also serves as a warning in making easy assumptions about class-based interest group activity. Interests are constituted in, and through, political practice.

On the surface, this again differs very little from pluralist accounts of interest formation. Focussing purely on the construction of interests through political practice can lead to an underestimation of the social 'bases' that give rise to this activity and may deflect attention from the resources and channels through which such action takes place. According to Offe, any analysis of interest representation needs to proceed on three levels simultaneously: firstly, there are the "values", "consciousness" and "sense of identity" of the individual members of the group in question; secondly, there is the socio-economic "opportunity structure" within which the group operates; thirdly there are the "institutional forms and practices" which confer a particular status as its basis of operation (1981, p123). Pluralist political theory fails to take into account the second and third of these levels and,

therefore, treats all groups as if they were operating on the same plane. These "parameters" restrict and enhance the actions of business, labour, sectoral and single issue groups in different ways. In this, the "opportunity structure" provided by the state is obviously crucial. Offe develops the analysis to show that the state does not (and in fact, probably cannot) accord all groups equal status. Corporatisation means quite different "terms of trade" for the different collectivities affected by it. There is a two-sidedness to corporatism with "etatisation" of group politics in one case, and "contracting out" of state power to private groups in another (Ibid, p140). Some groups may also gain advantage from their base of support. Offe and Wiesenthal (1980) argue that the organisations which represent labour face particular problems due to the individuality and atomisation of their membership, and their need to cover a wide spectrum of needs. Organisations representing employers, by contrast, are generally united by the search for profitability and are less defensive in their approach to the state.

While we should not lose sight of the parameters imposed by the class bases of the various groups, there is a need to focus on the institutional structures through which the practice of actually articulating, orchestrating and meeting the demands of such bases (class and non-class) takes place.

The general picture which can be derived from these analyses is by no means clear and straightforward. Unlike, for example, the 'dual politics thesis' there is no neat way of categorising state and group

activity. For the moment we may have to be content with a 'loose' characterisation of the state, such as that provided by Hall:

"the state appears as a network of institutions deeply embedded within a constellation of ancillary institutions associated with society and the economic system" (1986, p17).

What the corporatist literature enables us to do is analyse more closely the various forms that the relationships between state agencies and 'external' institutions can take. What is emphasised here are institutional relationships and the way in which they provide the context for the practice of politics<sup>(3)</sup>.

By focussing on the institutional 'dynamic' around the policy process we can bypass the weaknesses of the pluralist approach which saw state activity as simply the "sum of countervailing pressure from social groups" (Ibid, p19) and also the determinacy implicit (and explicit) in marxist and neo-marxist accounts which saw the state as merely a functionary of the capitalist mode of production. Furthermore by specifying the role of the various institutional actors in the policy process an account may be given of why certain policies were adopted over perhaps more viable alternatives. The policy process can be analysed as a 'political' process rather than one that contains its own rationale, removed from the 'murky' world of politics.

In the light of this discussion it is clear that any account of state activity in one sphere of the economy and society must pay particular

attention to the relationships between the institutions of state and those institutions 'external' to it. Analysis of policy (both its content and form) must try to identify the institutional dynamic governing its adoption and implementation. In this approach the state cannot be viewed as a unified entity but rather, following Jessop, as an "institutional ensemble". What must be spelt out, therefore, are the various interconnections between state agencies themselves. So an analysis of institutional relationships in and around the state must necessarily be complex. It must also be historical. These relationships cannot be frozen in time but must necessarily be of a dynamic nature. Change may be 'incremental' or 'radical'; this must be established empirically.

While a detailed agenda for research has not been provided here, a general framework, a flexible approach, for empirical study has been outlined. This should allow us to take full account of the complexities of the historical process, while rendering such complexities manageable and intelligible.

The policy process then, cannot be 'read off' from an analysis which treats 'the' capitalist state as a unified, unambiguous actor upholding certain functions necessary for the reproduction of (capitalist) society. While the state may fulfil this kind of role this tells us nothing about the dynamics behind the policy process; it merely indicates some of the general conditions within which policies are formulated and implemented. The use of, what might be loosely termed the 'institutional' approach concentrates our

attention on the policy arena, the various participants, the relationships between them, their attempts to further their interests, the courses of action open to them, their methods of calculation, the resources upon which they may draw, etc. This is an open ended form of analysis which takes seriously the actions of institutions and individuals through time. In what follows this approach will be brought to bear on agriculture, a sector of the economy which has enjoyed more than its fair share of state intervention and which, therefore, provides a useful case study.

#### Notes

- (1) Jordan and Richardson defend pluralism by arguing that such 'ideal-typical' characterisations do not equate with actual pluralist analysis but they do concede that  

"pluralists perhaps invite misunderstanding because essentially they are arguing that there is an impressive volume of pressure group activity ... This seems to support the open consultation idea ..." (1987, p61).
- (2) Corporatist analysis can be characterised as "middle range theory" that is "conceptual and theoretical tools that will ... link the particular with the general, the concrete with the abstract, and the empirical concern ... with the theoretical concern" (Saunders 1985, p149).
- (3) The concept of 'institution' here draws on Halls definition which refers  

"to the formal rules, compliance procedures and standard operating practices that structure the relationships between individuals in various units of the polity and economy ... the emphasis is on the relational character of institutions; that is to say on the way in which they structure the interactions of individuals" (1986, p19).

Individual interactions are structured in two main ways here: firstly, the institutional relations condition the power that any one



set of actors may exercise over the policy process; secondly, these institutional relations influence individual 'actors' definitions of their interests. Therefore

"organisational factors affect both the degree of pressure an actor can bring to bear on policy and the likely direction of that pressure" (Ibid).

## CHAPTER 2 : THE STATE AND AGRICULTURE IN THE UK

The purpose of this chapter is to provide an overview of state intervention in agriculture in the UK. This will not be a comprehensive account but will aim to sketch out the main features and most significant trends of such intervention in the twentieth century. Three time periods will be studied: from the end of the 19th century through to the end of World War Two; from 1945 to 1973 and the UK's entry to the EEC and adoption of the Common Agricultural Policy (CAP); and post 1973 to the mid-1980s when the CAP had been fully adopted by the UK but acute changes in the orientation of policy seemed to be on the cards. We will conclude with a brief consideration of likely future trends in policy.

No attempt will be made in this chapter to analyse the social forces and group pressures bearing on agricultural policy; rather an account will be given which is restricted merely to describing the policies adopted and their outcomes. Having filled in the extent of state intervention in the agricultural sector we may then go on to look more closely at the institutional complex from which the policy came in Chapter Three.

(1) The Origins of Modern Agricultural Policy : circa. 1850 to 1945

In 1846 the Corn Laws were repealed and free trade in agricultural commodities was fully opened up. By 1860 Britain had abolished duties on almost all agricultural imports (Tracy 1982, p19). 'Laissez faire' ruled, there was no agricultural policy and therefore no protection for British farmers. The UK was the first industrial nation, the undisputed leader in industry and commerce; free trade, therefore, meant cheap food (and lower wages in industry) and unlimited opportunities for Britain's exports.

By the 1870s the pattern of world agricultural trade had begun to be transformed with the immense increase in supplies of cheap grain coming out of North America and, to a lesser extent, Russia. These supplies entered the UK market severely depressing corn prices. By 1896, at the worst of the depression, grain prices were little more than half their pre-1870 level. It was not only grain that was effected in this way. In 1875 the US started to ship frozen meat to the UK and in 1877 Australia followed suit. By 1896, livestock prices were at three-quarters their pre-1879 levels (Ibid pp21-22).

Table 2.1

Price Indices of Foodstuffs on British Markets - 1880-1909

|           | 1880-84 | 1885-89 | 1890-94 | 1895-99 | 1900-04 | 1905-09 |
|-----------|---------|---------|---------|---------|---------|---------|
| Crops     | 82      | 66      | 64      | 59      | 62      | 67      |
| Livestock | 101     | 84      | 82      | 77      | 85      | 88      |

(Ibid, p46)

Consequently farm incomes were depressed. By the mid-1890's net farm income was down by 30% on the pre-1870 level (Ibid p52).

The main victims of this period were wheat producers. Total imports into the UK rose from about 1 million tons in the late 1850's to 3-4 million tons in the early 1880's. In the 1880's and 1890's Argentina and India, and after 1900 Canada and Australia, increased their exports to the UK so that by 1914 Britain was importing 5 million tons per annum, three times the amount produced at home (Sayer, R S 1967, p108). Between 1870 and 1900 the acreage under grain crops declined from 9,548,000 to 7,335,000 while permanent pasture increased from 12,073,000 acres to 16,729,000 (Ibid p109).

By the mid-1890's one-third of the country's meat consumption was imported, compared to one-quarter in the 1870's and, while consumption was falling fast, British farmers only held their share of the market by accepting the decreased prices. The liquid milk market, least susceptible to imports, remained stable. However, Canadian cheese and Danish butter came flooding in, putting acute pressure on home processors.

Throughout all, the state kept out of the picture. Although a Board of Agriculture was established in 1889, no intervention to mitigate the effects of the depression was forthcoming. Consequently, there was a marked fall in the percentage of the population employed in the industry from 18% in 1861 to 8% in 1911 (Tracy, op cit p53).

After 1900 the crisis gave way to some measure of stabilisation in the industry. The production of high quality meat was still free from overseas competition and demand was increasing. Demand for liquid milk likewise, improved. Between 1900 and 1914 the grain acreage remained stable (Sayer, op cit p113).

The onset of war in 1914 saw little change in the state's approach to the industry. In the early stages, no financial inducements were offered to farmers. In 1915, Lord Selbourne, the President of the Board of Agriculture established a committee to draw up a food production programme. However, by mid-summer of that year the government, influenced by a reduction in submarine warfare and therefore increased levels of imports still felt guaranteed prices were unnecessary (Murray 1955, pp6-7). However, by the end of 1916 bad weather and increased activity by German submarines made some more interventionist policy inevitable.

An institutional structure had to be established to implement the new policy and a system of county committees was chosen to direct the cultivation of land. Furthermore, a system of price guarantees was implemented and minimum prices for wheat, oats and potatoes were announced in 1917. The Corn Production Act of August 1917 guaranteed minimum prices for wheat and oats on a declining basis up to 1922.

Consequently, prices rose:

Table 2.2

Index Numbers of Agricultural Prices - 1914-19  
(1911-13 = 100)

|                            | 1914 | 1915 | 1916 | 1917 | 1918 | 1919 |
|----------------------------|------|------|------|------|------|------|
| Total Agricultural Produce | 101  | 127  | 160  | 201  | 232  | 258  |

(Murray, op cit p12)

Between 1917 and 1918 the area of crops other than grass increased by 3 million acres (Ibid p15).

As Table 2.2 shows, prices continued to rise after the end of the war. In April 1920 prices were 25% above the end-of-war level and three times as high as in 1914, however, the market collapsed soon afterwards with prices falling by a half between 1920 and 1922 (Ibid p17).

State intervention in the latter stages of the War had brought protection to the farmer but this was in an era of rising prices so Exchequer liability was slight. With the fall in world prices and the subsequent demands on resources that the system of guaranteed prices entailed the state stepped back.

Although the Corn Protection Act had been reconstituted in the Agriculture Act of 1920, which had substituted new guaranteed prices by August 1921 the Corn Production Acts (Repeal) Act was passed which cancelled all price guarantees. This episode went down in farming history as the "Great Betrayal" (Self and Storing 1962, p18).

The sharp fall in prices between 1920 and 1922 slowed in the later years of the decade but prices still fell, albeit slowly.

Farmers were once again left unprotected in the face of depression. Despite the establishment of a Ministry of Agriculture in 1919, intervention was severely limited. The only measures enacted during the 1920's of any real significance were the Agricultural Rates Acts of 1923 and 1928 and the Tithe Act of 1925, all of which helped in mitigating farmers indebtedness (op cit p26) while the British Sugar (Subsidy) Act gave assistance to sugar-beet growers through a subsidy. The state therefore "held almost without exception to the policy of laissez-faire" (Tracy op cit, pp 158-159).

It was the slump of 1929-32 which "brought a revolution in agricultural policy" (Murray op cit, p27). Without protection British agriculture was wide open with the fall in agricultural prices at the end of the 1920's. Dumping on the domestic market became rife and by the end of 1931 the volume of food imports was 35% above normal (Tracy op cit, p159).

According to Murray state intervention showed four main lines of development during the early 1930's.

- "(1) Marketing reorganisation and the regulation of home produced supplies.
- (2) Regulation of imports.
- (3) Subsidies and price insurance.
- (4) Measures to increase efficiency and reduce costs of production" (op cit, p28).

Marketing reorganisation was encouraged by the Agricultural Marketing Act of 1931 which gave an organised majority of producers the power to regulate the production and sale of their product forcing all producers to conform. The Agricultural Marketing Act of 1933 took this a stage further by offering as an incentive to producers the curtailment of imports of any product for which a marketing board was established. The main products effected by this legislation turned out to be milk and milk products, pigs, potatoes and hops. These boards succeeded in stabilising prices particularly for liquid milk, potatoes and hops (Ibid).

Although the 1933 Act leaned in the direction of a restriction of imports, and a partial closing of the 'open door', the first substantial move in this direction came with the 1932 Import Duties Act and the Ottawa Agreements Act. Under this latter Act import quotas were allocated to supplier countries on beef, mutton, lamb, and bacon and ham (Ibid p29). The volume of imports had increased by 17% between 1927-9 and 1931. Following the introduction of import quotas, imports declined by 12% between 1931 and 1935 (Ibid p31).

Subsidies were also introduced at this time, initially for fat cattle, in 1934 and for wheat in 1932. The Wheat Act of 1932 introduced deficiency payments whereby wheat producers received a payment equivalent to the difference between the average price actually achieved in the market and a standard rate set at 10 shillings per hundred weight. The scheme was extended under the 1937 Agricultural Act to producers of barley and oats. Between 1932 and



1938 the wheat area in the UK expanded from 1.3 million acres to 1.9 million. However, the total arable area fell from 13.6 to 13.0 million acres (Tracy, op cit p168).

Subsidies were also made available to milk producers under the 1934 Milk Act payable through the Milk Marketing Board (MMB). The establishment of the MMB was an important step in bringing some order to what had previously been a market in some amount of chaos. Dairying had been transformed from the 1860's when 70% of total milk production went to cheese and butter manufacturing, to the early 1930's when this figure was down to 25% (Winter 1984, p109). This had been forced through the increased foreign competition in the processing markets. Consequently prices on both the liquid and the butter/cheese markets had fallen. Attempts had been made through the Permanent Joint Milk Committee in the 1920's, whereby the distributors and the NFU agreed voluntary guide prices, to stabilise the market. However, as supplies increased price conditions deteriorated (MMB 1938, p5).

Under the Agricultural Marketing Act of 1933 the Milk Marketing Board was introduced. This was granted the power to:

- "(a) ... prescribe the description of milk which may be sold, its price, the persons who may sell it and the terms on which it may be sold.
- (b) ... regulate the grading, packing, storing, adapting for sales, insuring, advertising and transportation of milk on behalf of producers.
- (c) ... exempt any class of producers from the operation of the Scheme.
- (d) ... impose penalties upon producers contravening the regulations" (Ibid p7).

These extensive controls were extended by the Milk Act of 1934 which gave financial assistance to the Board (upper limit £750,000 per annum) to (a) increase the demand for milk and (b) guarantee minimum prices for high quality milk and on milk manufactured into butter or cheese. Furthermore, from February 1935 regional differences between pool prices were restricted to a maximum of 1d per gallon (later reduced to ½d) (Adam Smith Institute 1985, p17). The effect of the scheme on the milk market was to stabilise prices and give some amount of security to milk producers. Consequently, milk suppliers rose by 25% between 1933 and 1938 (Baker 1973, p88).

These various subsidy schemes brought an improvement in overall prices for agricultural produce after 1935:

Table 2.3

Agricultural Price Indices for England and Wales - 1930-1938  
(1927-29 = 100)

|           | 1930 | 1931 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 |
|-----------|------|------|------|------|------|------|------|------|------|
| Crops     | 74   | 88   | 89   | 71   | 72   | 76   | 90   | 98   | 80   |
| Livestock | 97   | 81   | 75   | 75   | 78   | 75   | 78   | 87   | 86   |

(Tracy op cit, p169)

However, the overall cost of these measures was limited - estimated at £16 million in 1935/36 and at £11.5 million in 1937/38 (Howarth 1985, p10). Nevertheless the extent of support at the time was criticised, reflecting the antipathy felt in many quarters to any form of protection for agriculture. These criticisms were made for two main reasons. Firstly, because the cost was thought to be excessive and secondly, on the grounds that the distribution of

financial assistance had been too heavily slanted towards the eastern counties (the sugar beet subsidy and the wheat deficiency payments accounted for around 80% of all payments made by the state between 1924-25 and 1938-39) (Murray, op cit pp36-37).

Despite this uneasiness a decisive step was taken during the 1930's away from the earlier 'laissez faire' approach. By 1939 guaranteed prices had been initiated for milk, fat cattle, sheep, bacon, pigs, wheat, barley, oats and sugar beet - covering almost all the main commodities produced by British agriculture. Seventeen marketing boards and associations of producers had been established. The state had become heavily involved in regulating and guiding the industry to an extent unprecedented during peace-time.

Nevertheless changes had been wrought upon the industry. The number of agricultural workers had fallen from 857,000 in 1930 to 697,000 in 1938 (Tracy op cit, p169). The agricultural area had fallen during the interwar years by 2.5 million acres to 31.5 million acres, of which 18.5 million were under permanent grass (Murray op cit, p39). Mechanisation was proceeding but slowly and in 1939 there were still 650,000 horses on British farms (Sayer op cit, p120).

With the outbreak of World War Two the state's 'drift' into agricultural policy became wholesale. Within months of the conflict beginning the Minister of Agriculture confirmed that:

"the Government will be purchasing the whole of the staple crops grown for next year's harvest and sold off the farm at prices to be fixed in the light of prevailing circumstances. Farmers will therefore have a guaranteed

market and prices for their principal products" (Hansard, 9 October 1939, Vol 352, Col 7).

The Ministry of Food was established and became the sole buyer and importer of all the principal foodstuffs and rationing was introduced. In 1940 the Government proposed to guarantee prices up to the end of the war and for at least one year thereafter (Murray op cit, p310).

Another main plank of the policy was the 'plough up' campaign under which grants of £2 per acre were paid to encourage farmers to plough permanent pastures. In 1939 two thirds of farmland was under permanent grass and one-third was ploughed. By the end of the war these figures were reversed.

Once again a local committee structure was established to direct farming operations at the local level.

Between 1938-39 and 1941-42 the grass output of British agriculture increased by two-thirds (Bowers 1985, p66). The apparent success of this policy led to the approval of an extension to the system of guaranteed prices in 1944, for four years after the war's end. The system of post-war support had begun to take shape.

The state's commitment to agriculture, therefore, increased dramatically. £11.5 million had been spent on agriculture in 1938-39 and this increased to £61.4 million in 1944-45 (Murray op cit, p323).

Real farm income consequently increased three-fold (Bowers op cit, p66).

In 1944 a declaration on 'Post-War Agricultural Policy' was issued by amongst others, the NFU, the Royal Agricultural Society of England, the Central Landowner Association, the National Union of Agricultural Workers, the Transport and General Workers Union, the Chartered Surveyors Institution and the Councils of Agriculture for England and Wales. This declaration called for legislation which would secure farmers protection and guaranteed prices when peace returned (Self and Storing 1962, p21). It stated:

"It is essential on national grounds that British agriculture should be maintained in a healthy condition sufficiently prosperous to ensure a stable level of prices which will yield a reasonable return to the producer and on the capital employed in the industry and a scale of wages sufficient to ensure a standard of living comparable to that of urban workers".

Furthermore,

"There should be a definite relation between the price level and the costs of production ... In return for a guaranteed price level, all owners and occupiers of rural land must accept an obligation to maintain a reasonable standard of good husbandry and good estate management and submit to the necessary measure of direction and guidance subject to provision for appeal to an important tribunal" (quoted in NFU 1945, Appendix A).

Given that this was the view of a range of organisations, as diverse as the Transport and General Workers Union and the Chartered Surveyors Institute, a broad consensus on the future shape of agricultural policy seemed to exist at the end of the war. This was bolstered by wide public support for the continued protection of farming. Even

more pertinent was the threat of a world food shortage leading from the debilitation of much of Europe's farmland during the war years. It is perhaps not surprising then that the above declaration bore an uncanny resemblance to the 1947 Agriculture Bill.

(ii) 1945-1973 : Agricultural expansion and state intervention

The situation which confronted the state and agriculture at the end of World War Two differed significantly from that which had prevailed at the end of the First World War. The depression of the 1930's and its effect on standards of living in the countryside was still in the minds of many farmers. Furthermore they were anxious not to see a repeat of the 'Great Betrayal'. The NFU, on their behalf, had tried to tie the state to a lasting declaration of its intention for post-war agriculture (see NFU op cit). Following a dispute between the NFU and the Minister of Agriculture in 1943 over the level of prices the Minister, Lord Hudson, had drawn up the details of a possible post-war legislative measure (Self and Storing op cit, pp20-21). The incoming Labour Government of 1945 therefore found a post-war policy ready and one which was likely to find cross-party support.

The new Minister of Agriculture's approach was made clearer in a letter to the NFU in 1946:

"The adjustment of commodity prices is the only satisfactory method which can be generally applied to effect changes in the level of farming profitability, in spite of the admitted inequalities between farmer and farmer which it produces".

Furthermore, these prices would be fixed in the light of

"evidence of changes over a period of years in the relative incomes of farmers and other classes of the rural community [which] will be recognised as one of the factors to be taken into account in assessing at February reviews any change in the level of farming profitability ... (printed in Hansard, 21 November 1946, Vol 430, Cols 1027-1029).

At the Annual Price Review therefore the level of prices and remuneration for farmers would be decided upon and the wartime system of guaranteed prices was to be continued. Significantly, considering this was a Labour Government supposedly bringing in a new socialist society, the "inequalities between farmer and farmer" took second place to the need to expand food production.

These principles were embodied in the 1947 Agriculture Act, the foundation stone of post-war agricultural policy. The preamble to the Act reveals its objectives as:

"promoting and maintaining by the provision of guaranteed prices and assured markets ... a stable and efficient agricultural industry capable of producing such part of the nations food and other agricultural produce as it is desirable to produce in the UK and of producing it at minimum prices consistently with proper remuneration and living conditions for farmers and workers in agriculture and an adequate return on capital invested in the industry" (quoted in Kirk 1979, p47).

While farmers were guaranteed prices and markets for all they could produce, incited further by the Agricultural Expansion Programme of 1946 which set targets up to 1952, the Act also required farmers to abide by 'rules of good husbandry' (as envisaged in the 'Joint' statement of 1944). Failure to comply rendered them liable to supervision orders and if they failed to improve, notices to quit.

Between 1947 and 1952, when these provisions were repealed, 5,000 farmers were placed under suspension orders, and 400 were dispossessed (Lowe et al 1986, p41).

These provisions were carried out by the reconstituted county committees who acted as the Ministry's local agent (the local and regional structure of the Ministry is discussed in more detail, in reference to Wales, in Chapter 5). Furthermore, a state advisory service, the National Agricultural Advisory Service (NAAS), was established to work with the local committees to facilitate the adoption of new farming practices.

The state intervened, therefore, in the agricultural industry during the post-war period on a unprecedented scale. The industry was "made into a sort of ward of the state, much like a nationalised industry, though in this case no nationalisation was contemplated" (Kirk op cit, p47). Although ownership remained intact, control was passed to the state and the industry became dependent for its prosperity on political decision-making.

Under this guaranteed price/market system farmers boosted net output to 69% above the pre-war average by the end of the 1950s (Beresford 1975, p9). State expenditure gradually increased:



Table 2.4

State Expenditure on Agriculture 1946-1950  
Total Subsidies and Grants (£1000)

|         |        |
|---------|--------|
| 1946-47 | 27,611 |
| 1947-48 | 27,460 |
| 1948-49 | 41,227 |
| 1949-50 | 43,343 |

(Hansard, 16 April 1953, Vol 514, Cols 23-24 Written)

In 1951 the Labour Government was replaced by the Conservatives who, although committed to the general principles of the policy, began to alter some of the policy arrangements. The level of consumer food subsidies (which in 1949 had amounted £465 million - Howarth op cit, p11) particularly caused concern. The new government therefore set about the abolition of rationing, which was achieved by 1954, and ceased subsidies on consumption. The Ministry of Food was subsequently merged with the Ministry of Agriculture - a move which seemed to indicate the pre-dominance of agricultural policy over food policy. Control of supplies for such commodities as milk, wool, hops and potatoes was regained by the re-establishment of marketing boards.

Guaranteed prices to farmers were retained although the method of support was changed. In 1953 the government tried to restore some semblance of a free market while maintaining price support. The result was the pre-war mechanism of deficiency payments. This device effectively allowed the market to 'clear'. Where market prices fell

below the guaranteed price agreed at the Annual Price Review, a deficiency payment made up the difference. By the mid-1950's, such schemes covered 40% of total output.

The aim of these adjustments was to try and close the open-ended nature of Exchequer liability. There was little success on this objective.

Table 2.5

State Expenditure on Agriculture 1951-58

Total Subsidies (£1000)

|         |         |
|---------|---------|
| 1951-52 | 47,937  |
| 1954-55 | 82,809  |
| 1956-57 | 156,400 |

(Hansard, 16 April 1953, Vol 514, Col 23-24, Written; Whetham and Royce 1957)

The level of internal market prices was determined on the world market. The post-war food shortage of the 1940's had given way to surplus by the mid-1950's. Internal market prices began to fall and, therefore, the cost to the Exchequer began to increase.

Agricultural output continued to rise and by 1953-54 stood at 55% above the pre-war figure (Annual Review 1956, Cmnd 9721).

Table 2.6

Agricultural Production 1946-1955 (UK)

|                             | 1946/7 | 1952/3 | 1953/4 | 1954/5 |
|-----------------------------|--------|--------|--------|--------|
| Wheat (1000 tons)           | 1967   | 2307   | 2664   | 2783   |
| Barley (1000 tons)          | 1963   | 2334   | 2821   | 2244   |
| Milk (million gallons)      | 1665   | 2053   | 2170   | 2151   |
| Beef and Veal (1000 tons)   | 537    | 583    | 637    | 777    |
| Mutton and Lamb (1000 tons) | 141    | 172    | 176    | 186    |

(Annual Review 1956, Cmnd 9721)

By the mid-50's however, increased charges on the Exchequer arising from the implementation of deficiency payments in an era of falling world prices, led to moves to close the open ended nature of guarantees. The 1956 Price Review stated that

"the objective of production policy remains the most that can be produced economically and efficiently in accordance with market requirements, steadily increasing technical efficiency and declining unit cost" (Ibid, p3).

The expansion of agriculture was to become more selective, concentrating in particular on beef, mutton, lamb and the production of home grown feedingstuffs. The production of milk, pigs and eggs should not be further stimulated (Hansard 15 March 1956, Vol 55, Col 559).

The 1956 Review was not agreed by the Unions (it was the first one to be imposed) partly because of concern over milk prices. However, union support for government policy was regained by the 1957 Agriculture Act which satisfied the farming industry that the state was not in the process of pulling out of its support obligations.

The Act gave the agricultural industry long-term guarantees. Clause 2 stipulated that the guaranteed prices of each commodity would be maintained at not less than 96% of the value of the guarantees of the previous year. For livestock products, the reductions should not exceed 9% over a three year period. Clause 3 stipulated that the total value of the guarantees and production grants could not be altered to a level less than 97.5% of the value of the preceding year. The Bill thus gave farmers long-term assurances but allowed the state some freedom to reduce the subsidies, albeit gradually.

According to Heathcote Amory, Minister of Agriculture at this time:

"The object of the Bill is to promote the long-term economic efficiency and competitiveness of the industry. It is not a measure to enable less-successful farmers to stay in business; far less is it a measure to perpetuate the existing patterns of production. What we want to do, on the contrary, is to encourage sound economic trends and changes and to help the smaller farmer to become economically stronger" (Hansard, 25 March 1957, Vol 567, Col 808).

In accordance with this latter objective an Agriculture (Small Farmers) Bill was introduced in 1958. This measure indicated the state's concern to improve the efficiency of small farms and therefore to limit their dependence on Exchequer support. This entailed a more intensive intervention, through the advisory service, in the actual working of the farm unit. As the Minister John Hare stated on the Bill's second reading.

"Our proposals are based on looking at the farm as a business - that is as a profit-making concern - producing a decent income for the farmer. We are not concerned simply with improved techniques. We are not concerned with

increasing output regardless of cost. What we shall be looking for is the final result in terms of income of each farm business". (Hansard, November 10 1958, Vol 593, Col 41).

The Act provided two main types of aid 'Farm Business Grants' and 'Field Husbandry Grants'. Properly managed, small farms (those between 250-450 standard man days (SMD's) could intensify production, and therefore raise incomes (the structural measures of the post-war period are discussed in more detail with reference to Wales in Chapter Four).

Output continued to increase. By 1959-60 it was 168% above the pre-war level (Annual Price Review 1960, Cmnd 970).

Table 2.7

Agricultural Production in the UK 1956-1960

|                             | 1956-57 | 1957-58 | 1958-59 | 1959-60 |
|-----------------------------|---------|---------|---------|---------|
| Wheat (1000 tons)           | 2845    | 2683    | 2711    | 2787    |
| Barley (1000 tons)          | 2800    | 2957    | 3170    | 4036    |
| Milk (million gallons)      | 2311    | 2344    | 2214    | 2264    |
| Beef and Veal (1000 tons)   | 849     | 887     | 786     | 770     |
| Mutton and Lamb (1000 tons) | 197     | 208     | 203     | 241     |

(Ibid)

The objective of keeping the 'lid on' on state support was partially realised as the total amount spent on price guarantees, subsidies and grants moved up only slowly between 1956 and 1960, from £227 million to £249.8 million (Annual Review, Cmnd 2621, 1965).

The early years of the 1960's saw world prices fall even further than in the late 1950's. The 1957 Act and its long-term assurances meant that the state could not lower UK internal prices quickly. Despite the shortfall in price guarantees over costs in the four years following the Act of £85 million (Self and Storing 1962, p74), the cost of the price guarantees rose rapidly between 1961 and 1962, from £151.2 million to £225.5 million (Annual Review 1965, Cmnd 2621).

A further attempt was made in the early 1960's, to limit production by the introduction of 'standard quantities' (effectively production quotas) embodying penalties for over-production. These were introduced for barley and pigs in 1961 and for eggs in 1963. A two-part tariff for milk with lower prices for the manufactured market was imposed in 1961 (Bowers op cit, p70).

Furthermore, the lack of protection for the domestic market meant that, with world surplus production, Britain, became, yet again, a target for 'dumping'. The Minister of Agriculture, Christopher Soames, warned in 1961:

"If it [dumping] looks like becoming a permanent feature, so that wide ranges of foodstuffs come on to our free market at uneconomic prices, we will have seriously to consider adapting our system in order to prevent our objectives from being thwarted. Otherwise we will find our farmers constantly at the mercy of imports at uneconomic prices, with Exchequer payments rising to unpredictable heights". (Hansard, 12 June 1961, Vol 642, Cols 37-8).

By early 1964 agreement had been reached with overseas suppliers on the regulation of bacon supplies to the UK and minimum market prices for cereals were adopted. This marked a change in emphasis of

considerable importance. The cost of agricultural support was no longer to be borne solely by the taxpayer but also by the consumer as domestic prices would be raised above those prevailing on the world market.

Despite the prevalence of surpluses on the world market the policy of 'selective expansion' continued. The new Labour Government of 1964 saw a crucial role for agriculture. In the National Plan of 1965 this was spelt out:

"First it will help through increased production to meet the growth in demand. This will ease the pressure on our bill for imports of temperate agricultural produce. Secondly, by improving its labour productivity more rapidly than the increase in production, agriculture will continue to release substantial manpower resources and so help in closing the manpower gap expected during the plan period" (The National Plan, Cmnd 2764, 1965).

This expansion was made possible by the decrease in the levels of expenditure on agriculture following the 1961 peak. Thereafter the cost of price guarantees fell from that year's level of £225.5 million to £150 million in 1964/65. However at the 1965 Price Review the Government envisaged that the industry would "be expected to absorb ... through its increasing productivity, a large part of its increased costs" (Hansard, 17 March 1965, Vol 508, Col 1289). At this Review the industry was under-recouped on its cost increase by £18.5 million (Winegarten and Acland-Hood 1978). Not surprisingly this Review was imposed on the industry with no agreement forthcoming from the NFU.

Structural measures were also favoured by the state at this time as a means to facilitate expansion of food supplies and the long-term decline of Exchequer support. The 1967 Agriculture Act introduced a range of measures to bring about the modernisation and organisation of small farms. Grants were made available to assist towards the retirement of farmers and, with the introduction of Rural Development Boards in the uplands (later abandoned - see Chapter Four), the amalgamation of holdings was to be speeded up. The Central Council for Agricultural and Horticultural Cooperation was established to provide technical advice and grant aid for farmers wishing to enter cooperative ventures.

Output continued to expand despite the under recoupment of agriculture's costs at subsequent reviews in 1966, 1968 and 1969. By 1969 agricultural output stood at more than twice its pre-war level. The costs of guaranteed prices to the Exchequer continued to fall from £135 million in 1967/68 to £93.6 million in 1970/71 (Annual Review 1969, 1973). The imposition of further import duties on butter and poultry, and negotiations on limiting imports of cheddar-type cheese and eggs, meant that support measures were becoming increasingly characterised by import restrictions which pushed the cost even more firmly onto the consumer thus giving the appearance of decreasing levels of expenditure.

The election of a Conservative Government in 1970, prepared to take the UK into the EEC, did nothing to change the overall policy.



"Our share of the enlarged EEC market including our own home market - will depend on the competitiveness of our farmers. This means that we should aim to improve the already good record of productivity gain in our agricultural industry from the start of transition [to the Common Agricultural Policy] by stimulating the investment which is needed for expansion and by securing the advantages of increased scale". (Annual Review 1972, Cmnd 4928, p5).

This 'tariff-led' policy was given further encouragement prior to EEC entry by the adoption of a variable import levy for beef in 1971.

Subsequently an 'interim levy system' was adopted for most of the major temperate foodstuffs. Nevertheless the cost of implementing the price guarantees had begun to rise once more from £93.6 million in 1970/71 to £140.2 million in 1971/72 (Annual Review 1972, Cmnd 4928).

In general terms, production increased throughout this period.

Table 2.8

Agricultural Production 1967-71 (UK)

|                             | 1967/68 | 1968/69 | 1969/70 | 1970/71 |
|-----------------------------|---------|---------|---------|---------|
| Wheat (1000 tons)           | 3841    | 3414    | 3311    | 4169    |
| Barley (1000 tons)          | 9069    | 8140    | 8527    | 7410    |
| Milk (million gallons)      | 2531    | 2565    | 2609    | 2662    |
| Beef and Veal (1000 tons)   | 967     | 898     | 917     | 987     |
| Mutton and Lamb (1000 tons) | 256     | 246     | 215     | 224     |

(Ibid).

Although barley production declined slightly, wheat production increased, reflecting price differentials, while milk and beef output increased slowly, sheep declining slightly.

Structural measures were still a feature of policy. In 1970 the Farm Capital Grant Scheme was introduced to coordinate the various investment incentives.

The adoption of these structural measures from the late 1950's onwards had some marked effects on the structure of holdings. As we can see from table 2.9, the total number of holdings increased up until 1960 thereafter declining sharply, falling by 38% up to 1973. The sharpest decline was in the two smallest categories of 1 to 4.75 acres and 5 to 14.75 acres falling by 77% and 55% respectively. The 300 acre + category on the other hand grew by 27% between 1960 and 1973.

Table 2.9  
Agricultural Holdings (UK)  
 (Acres)

|      | Total  | 1-4½  | 5-14½ | 15-49½ | 40-99½ | 100-149½ | 150-299½ | 300+  |
|------|--------|-------|-------|--------|--------|----------|----------|-------|
| 1945 | 362504 | 67968 | 70081 | 86562  | 60274  | 31420    | 33839    | 12360 |
| 1950 | 372374 | 77022 | 72496 | 85985  | 59950  | 31088    | 33619    | 12614 |
| 1954 | 375432 | 82688 | 71618 | 84049  | 59805  | 30990    | 33393    | 12889 |
| 1960 | 475673 | 94944 | 97608 | 117725 | 73205  | 35773    | 39797    | 16621 |
| 1964 | 445132 | 82566 | 89063 | 110353 | 71552  | 34425    | 29156    | 18017 |
| 1968 | 369053 | 41621 | 70244 | 100795 | 66344  | 32857    | 37639    | 19553 |
| 1973 | 293276 | 21681 | 43135 | 83514  | 37776  | 30216    | 75725    | 21229 |

(MAFF - Agricultural Statistics 1954-73)

Partly as a result of the fall in the number of holdings and partly due to the increasing use of machinery on farms (the number of tractors for example rose from 324,810 in 1952 to 414,820 in 1973, an increase of 27% (Ibid). The number of farm workers fell from 505,382 in 1954 to 246,168 in 1973, a fall of 51% (Ibid).

Clearly the subsidy and grant systems in operation during this period play a major part in facilitating these changes. By providing guaranteed prices on output the largest farmers could expand further. Investment in machinery led to the displacement of half of the workforce. This was the explicit aim of the policy and, in an era of full employment, it seemed to make sense, notwithstanding the social disruption it caused. Furthermore, the whole thrust of state support was towards establishing a 'viable' agricultural sector. Therefore rewarding the largest most 'efficient' producers also seemed to make sense. Despite criticism, such as, for instance, that two-thirds of all price subsidies went to one-third of full-time large farmers (Lloyd E 1957, p138), the main argument for the policy throughout this period was that agriculture had an 'import-saving role' therefore this increased production should be undertaken as cheaply and efficiently as possible. Smaller farmers were to be enabled to 'compete'. Those that could not found no place in the industry and therefore left the land.

(iii) 1973-1984 : The Transition to the Common Agricultural Policy (CAP)

The trends in agricultural policy identified in the last section, most notably the drift into tariffs on imports of agricultural goods from abroad, prepared the industry for entry to the CAP. The continuities in methods of support from one regime to another outweighed the differences. The most significant change for UK farmers was the increase in the level of prices that they would gain under the CAP and, as we have seen, this was expected to further expand production, which remained the main policy aim.

(a) The CAP

The foundation stone of the CAP was laid by Article 39 of the Treaty of Rome. This stipulated that the common agricultural policy should:

- " (a) increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
- (b) ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- (c) stabilise markets;
- (d) assure the availability of supplies;
- (e) ensure that supplies reach consumers at reasonable prices" (Commission of the European Communities 1987, p18).

While these principles remained somewhat vague - words like "fair" and "reasonable" were clearly open to conflicting interpretations - they bore a close enough affinity to that

other foundation stone of post-war agricultural policy, the 1947 Act, to facilitate the dovetailing of the UK's domestic policy towards that of the EEC.

The methods of support under the CAP took two main forms:

- "(i) intervention measures on the internal market which, depending on their economic nature, may be subdivided into aids for public and private storage, withdrawals and similar operations, price compensation measures and guidance premiums;
  - (ii) refunds on exports to non-member countries"
- (Ibid, pp47-48).

Under this system national intervention agencies (acting as agents of the Community) purchased any excess production at a minimum price (the 'intervention' price) and put this surplus into store until such a time as it could be released (in practice these 'releases' have been outweighed by the structural surpluses therefore creating 'butter mountains' and 'wine lakes'). To protect the Community market from cheaper imports from non-member countries minimum import prices were fixed (the 'threshold' price). Imports, were therefore taxed (subject to a 'variable levy' which moved in accordance with world market prices). With internal Community prices often higher than world market prices any exports from the Community were subsidised (known as 'export refunds').

Individual commodities were subject to variations on the main scheme. For the "archetypal" commodity, cereals (Harris et al 1983, p45), there were three main prices: target prices which

represented the levels market prices ought to attain; threshold prices representing the minimum entry price for imports set at a level below target prices taking into account internal distribution costs; intervention prices representing the 'floor' to the market set at a certain percentage below the target price (approximately 93%).

The CAP therefore embodied the following principles:

"the principle of the unity of the market which has been implemented through the gradual harmonization of farm prices in Member States; the principle of Community preference implemented by a system of variable levies and the customs tariff; the principle of financial solidarity, which was reflected in the setting up of the European Agricultural and Guarantee Fund" (Commission of the European Communities 1975 quoted in Harris et al, op cit, p39).

The European Agricultural and Guarantee Fund (EAGF) derived its resources from three main sources; the custom duties; any agricultural levies and one per cent of a uniform VAT levied on each member state.

One of the most problematic of the above principles was the harmonisation of agricultural prices throughout all member states. Prices were fixed annually at the Council of Ministers meeting (discussed below in Chapter 3) in European Currency Units (ECU) and translated into national currencies via 'representative' or 'green' rates. However with the onset of floating exchange rates in the late 1960's Member states gained the ability to 're-nationalise' farm prices. By delaying the

alteration of representative rates against movements in exchange rates, farm prices could be raised or lowered. These differences in price levels necessitated the introduction of border taxes and subsidies within the Community itself. These were known as monetary compensatory amounts (mca). Their existence undermined to some extent the concept of a 'common market'.

Upon the UK's entry to the EEC the CAP also contained various structural measures, the most important of which included Directive 72/159/EEC which enabled the payment of grant aid for investment for the implementation of an approved 'development plan'. As with the earlier UK schemes this Directive aimed at farm 'modernisation'. This was implemented in the UK by means of the Farm and Horticultural Development Scheme (discussed below in reference to Wales, see Chapter Four, Section Three). Also significant was Directive 72/160/EEC which aimed to encourage small farmers, on holdings deemed incapable of providing a full-time living, to retire and allow the holding to be amalgamated with another unit to form a full-time farm. The UK operated two schemes under this Directive - the Farm Structure (Payment to Outgoers) Scheme of 1973 and the Farm Amalgamation Scheme of the same year (Marsh and Swanney 1980). A further structural measure, probably the most significant under the CAP, was negotiated upon the UK's entry. This was Directive 75/268/EEC on Mountain and Hill Farming in certain Less Favoured Areas. 'Less Favoured Areas' were identified according to two criteria

- "(i) the mountain and hill regions, defined in terms of altitude or gradient ...
- (ii) the regions suffering natural handicaps and threatened by depopulation... (Commission for the European Communities 1987).

This measure introduced specific types of aid for these areas and allowed the payment of 'compensatory allowances' to alleviate the consequences of farming under these unfavourable natural conditions (see below in reference to Wales, Chapter Five, Section Three).

(b) The UK and the CAP

As already stated, the UK's entry to the EEC did little to alter the previous policy of expansion which all governments had in general followed since the war. The Labour Government echoed the previous Conservative Government in 'Food from our Own Resources' published in 1975.

"The Government take the view that a continuing expansion of food production in Britain will be in the national interest. It is mainly the cost in sterling terms of alternative supplies from abroad which determines whether expansion of home production is economically worthwhile ... but the objective of Government policy will be to provide farmers with a prospect of stability in their returns at levels encouraging the greater home production which would give the country an insurance against periods of shortage and higher prices" (HMSO, Cmnd 6020, 1975, para 4).

While this approach can be explained in part by the sharp increase in world food prices brought on by the oil 'shock' of 1972 to 1974, it did appear that as far as agricultural policy-



makers were concerned it was very much 'business as usual' under the CAP. Consequently output increased, the only exception being sheep production due to the lack of a support regime until 1980.

Table 2.10

Agricultural Production 1973-1978 (UK)

|                           | 1973  | 1974  | 1975  | 1976  | 1977  | 1978  |
|---------------------------|-------|-------|-------|-------|-------|-------|
| Wheat (1000 tons)         | 5002  | 6130  | 4488  | 4740  | 5274  | 6613  |
| Barley (1000 tons)        | 9007  | 9133  | 8513  | 7648  | 10531 | 9848  |
| Milk (million litres)     | 13468 | 13098 | 13133 | 13618 | 14406 | 15093 |
| Beef & Veal (1000 tons)   | 887   | 1086  | 1219  | 1069  | 1032  | 1048  |
| Mutton & Lamb (1000 tons) | 236   | 253   | 264   | 248   | 229   | 238   |

(Annual Review 1978, 1980)

The number of farms in the UK continued to decline. In 1977 the total number of holdings was 3% lower than in 1975 (Annual Review 1978, Cmnd 7058, para 29). The average size of farms continued to increase with the average size of a full-time business standing at 113 hectares in 1977 against 111 in 1975 (Ibid, para 30). The number of farm workers also fell. Between 1973 and 1978 the regular whole time workforce fell from 247,000 to 196,000, a fall of 20% (Annual Review 1978, 1980).

By the end of the UK's transition period (1978) the policy of expansion remained intact and even gained another boost in 1979, with 'Farming and the Nation' which revealed that the Government considered there was further room for expansion for a five year period (HMSO 1979, Cmnd 7458).

However, by the early 1980's problems with the CAP were becoming manifest. It was not just UK agriculture that was expanding production, member states throughout the community was following a similar pattern. By 1982/83 the Community was plagued by surpluses on a range of its main agricultural commodities. In that year the self-sufficiency rates stood at 147% for sugar, 125% for wine, 117% for cereals, 118% for milk products and 100% for all meats (Commission of the European Communities 1984, p20). Consequently expenditure was rising rapidly. Between 1975 and 1979 EAGGF spending rose at the rate of 25% per annum and by nearly 30% in 1980 (Ibid, p21). Furthermore, expenditure on intervention was increasing rapidly and by 1985 it represented 66% of total annual agricultural expenditure (Commission of the European Communities 1987, p48).

Attempts to rein in expenditure led to more cautious price settlements and by 1984, the UK prices stood at only 84% of their 1970 level in real terms (Green Europe (217) 1987). Farm incomes had also declined.

Table 2.11

Farm Incomes in the UK 1977-84

|                | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|----------------|------|------|------|------|------|------|------|------|
| Farming Income | 176  | 162  | 130  | 100  | 117  | 143  | 109  | 153  |

(MAFF - Farm Incomes in the United Kingdom 1987)

In purchasing power terms the total gross output of the UK agricultural industry in 1984 was only 6% up on the 1971/72

level. While output had increased, the average prices of output had fallen relative to prices in the rest of the economy. Input prices had increased over the period by 5.3% therefore gross output was only 1.7% greater in real terms (Centre for Agricultural Strategy 1986, p7). Furthermore the level of public support to the industry had tripled in real terms over the same period (Ibid, p8).

The CAP was clearly in trouble. It was facilitating the production of large unmanageable surpluses which were draining community resources at an alarming rate. Furthermore, farm incomes, which the policy ostensibly aimed to protect, were falling. Consumers were paying higher prices than those prevailing on the market for nearly all agricultural commodities. The CAP was failing to uphold the principles that the Treaty of Rome had ascribed to it nearly thirty years previously.

To try and avert the crisis certain measures were taken to curtail spending and over-production. Between 1980 and 1983 'guarantee thresholds' were introduced on milk, cereals, oil seed rape and processed tomatoes (they already operated on sugar and cotton). Beyond the stipulated threshold on output of the commodity, declining guarantees would be provided. However, the thresholds were set too high and productivity gains served to offset any effect the thresholds might have had (House of Lords, Select Committee on the European Communities 1985, para 46).

A further measure to curb production was the 'co-responsibility levy'. Such a levy was introduced for milk in 1977. It was introduced on a flat rate basis, initially 1.5% of target price, rising to 3%, and applied on production of a certain specified quantity. The proceeds from the levy went towards disposing of surplus stocks.

Despite the introduction of such measures UK production levels continued to increase for all the main commodities.

Table 2.12

Agricultural Production 1981-1984 (UK)

|                             | 1981  | 1982  | 1983  | 1984  |
|-----------------------------|-------|-------|-------|-------|
| Wheat (1000 tons)           | 8707  | 10316 | 10802 | 14957 |
| Barley (1000 tons)          | 10227 | 10954 | 9980  | 11055 |
| Milk (million litres)       | 15084 | 15942 | 16442 | 15446 |
| Beef and Veal (1000 tons)   | 1039  | 980   | 1044  | 1131  |
| Lamb and Mutton (1000 tons) | 269   | 276   | 298   | 296   |

(Annual Review 1986, Cmnd 9708)

By 1984 the CAP was generally acknowledged to be in 'crisis' and action had to be taken to avert the total collapse of the policy and the bankruptcy of the Community.

(iv) The Crisis of the CAP and UK Agriculture

On the 31 March 1984 the Council of Ministers took certain crucial decisions in order to curb the inexorable increase in expenditure that had characterised agricultural support under the CAP.

The agreement reached at this time can be summed up under six main headings:

- "(i) the principle of the guarantee thresholds is confirmed and extended to other products;
- (ii) control of milk production through quotas;
- (iii) restoration of single market by dismantling the monetary compensatory amounts;
- (iv) a realistic policy on prices;
- (v) rationalisation of the aids and premiums for various products;
- (vi) compliance with Community preference" (Commission of the European Communities 1984, p22).

By far the most important, and controversial of these measures was the implementation of milk quotas.

By 1983, milk deliveries in the EEC had exceeded the guarantee threshold by 6.5%. According to this measure the price for 1984/85 should then have been reduced by the same percentage (Harvey 1985, p23). In fact it was estimated by the Commission that matching demand with supply using a restrictive price policy would entail reducing prices by 12% (Ibid, p14). Clearly this was politically unacceptable. The main alternative was a system of production quotas. In the event this course was chosen and milk quotas were implemented on the 1 April 1984.

The quota agreement based the overall level of quota on 1981 production levels although member states could use 1981, 1982 or 1983 as the reference year for the implementation of the scheme. Two schemes were made available; 'formula A', set at the farm level with

an overquota levy of 75% of the target price and 'formula B' set at the dairy level with an overquota levy of 100% of the target price.

The UK, with the MMB was in a "superb" position to use 'formula B' (Ibid, p27). Each Board was considered as a single dairy and therefore the whole of England and Wales would have to exceed quota before the levy became payable.

The immediate reaction of many farmers was panic, reflected by the fact that culling was 30% up in the spring of 1984 over the previous year (MMB 1987, p4). Milk output consequently fell and by December 1984 the MMB estimated that sales were approximately 300 million litres below quota (Ibid). By 1985 producers had become more familiar with the scheme and by March of that year production exceeded the level of quotas marginally. Much the same pattern was repeated in 1986/87 and by the end of that marketing year sales were 83 million litres over quota (Ibid p7). Milk production in the UK rose slightly therefore between 1984 and 1986, from 8.4 million litres to 8.6 million (Annual Review of Agriculture 1987). However, dairy farm incomes fell by 72% between 1984 and 1986 (DF, November 1987).

Although the quota system brought milk production under more control, the supply of milk in the EEC still exceeded demand by approximately 13 million tons or 15% of total production (DF October 1987). It is clear therefore that the quota scheme will remain in place after its

1989 expiry date and milk production will be subject to long-term restrictions.

In 1985 the European Commission issued 'Perspective for the Common Agricultural Policy' setting out in general terms the direction it would like to see reform take. It stated:

"Unless the community succeeds in giving to market prices a greater role in guiding supply and demand within the agricultural policy, it will be drawn more and more into a labyrinth of administrative measures for the quantitative regulation of production" (p,iv).

This was clearly not a attractive proposition for the Commission. It favoured a restrictive price policy

"A restrictive price policy ... could solve the problem in the medium term. This would imply that the economic function (market orientation) of price policy is stressed at the expense of its social function of income support" (p17).

Clearly such a policy would have harmful consequences for many weaker, less 'viable' farms and this was recognised in 'Perspectives'. To facilitate the adjustment of the industry direct support would have to be made available to these farmers (p55). But essentially the medium- or long-term aim must be to allow market forces a greater play in the agricultural sector<sup>(1)</sup>. This is seen as the only real solution to the problem of surplus production and budgetary constraint.

These developments, if implemented (for the political obstacles see below, Chapter Three) would put further pressure on farmers incomes

and would lead to a further exodus from the industry, increasing holding size and specialisation. Production would become more concentrated in the hands of larger, specialised producers.

These modifications in the policy have done little to alter its internal dynamic. Therefore, many of the unsavoury consequences of the CAP can be expected to continue. In general, its effects have been

"to over-compensate a small minority of farmers while doing little to alleviate the genuine income problems which exist among certain groups of farmers and in certain regions. Thus it is extremely difficult to see in what way the CAP ensures a fair standard of living in any meaningful sense ..." (Fennell 1985, p267).

### Conclusion

The expansion of British agriculture, 'driven' by state policy after 1939 was, at the time of writing, being brought painfully to a halt. This is therefore an opportune time to look back and assess what the consequences of this expansionist agricultural policy have been. The most notable result has been a huge decline in the workforce from 515,408 regular full-time workers in the industry in 1945 to 157,000 in 1985, a decline of approximately 70% (Annual Review 1952, 1987). This was paralleled by a huge increase in the use of farm machinery; tractors on UK farms increased by 66% (MAFF Agricultural Statistics) (this of course does not give anything more than an indication of the wholesale mechanisation of agriculture - everything from automatic feeding systems to combine harvesters, but tractors are one of the few machines common to all types of



farm). The size of farms, which were static until the 1950's, increased throughout the 1960's and 1970's with policy measures, specifically aimed at amalgamation and concentration, being introduced. By the late 1960's farms of between 20 and 100 acres were disappearing at a rate of 3% per annum while the proportion of land in units over 300 acres rose from a quarter to a half (Lowe et al op cit, p36).

Another result of the policy which characterises the post-war period is that some farmers have become exceedingly rich. It has been pointed out that the public purse has produced millionaires (Bowers and Cheshire 1983, p103). In 1979 a freehold farmer with 350 hectares had assets in land alone of £1,130,000 (Ibid). Tom Williams, the Labour Minister of Agriculture in 1946, recognised that a price policy would be inequitable but saw no alternative way of expanding food production. As the amount of expenditure being pumped into the support system grew so did the inequity. While "farmers as a group, have moved from a position of absolute and relative poverty to a position of substantial prosperity" (Ibid, p86) this is not true of all farmers. For instance, in 1984/85 the net farm income of the small English hill and upland (LFA) livestock farmer was £4,800; while for the large specialist cereal farmer in England, it stood at £47,100 (MAFF - Farm Incomes in the United Kingdom 1987).

Inequity (and there are other dimensions to this such as inequity in agricultural trade on world markets where EEC dumping is extremely disruptive for Third World countries) is not the only criticism levelled at these systems of support. It has also become recognised that the increasing specialisation, intensification and mechanisation of agriculture

has had devastating effects on the environment. This derives from a number of facets of modern agricultural practice:

- "(i) the removal of hedgerows and the ploughing up of uncultivated field margins together with the reclamation of scrub and small woodlands;
- (ii) the reduction in rotation and fallow;
- (iii) the replacement of permanent pasture by leys and arable;
- (iv) land drainage and the elimination of areas of standing water and from ponds;
- (v) the treatment of grassland and arable with selective herbicides and insecticides" (Bowers and Cheshire, op cit p21).

Up to the mid 1960's hedgerows were being removed at the rate of 8000 kilometres a year (Pye-Smith and Rose 1984, p24) and in certain parts of the country by 1972 only 20% of hedgerow trees, present in 1945, remained (Ibid). Between 1949 and the mid-80's, it was estimated about 50% of lowland fens, mires and valleys were destroyed or damaged by drainage and reclamation (Lowe et al op cit, p66) while about 60% of heathland and 10% of moorland was destroyed or reclaimed (Ibid pp68-69). The damage to wildlife has been equally devastating. Agricultural policy has played a crucial role in supporting such practices. Through the provision of grant aid for environmentally damaging operations (such as hedgerow removal and land reclamation) policy measures have directly advocated such practices and, by continually pushing in the direction of increased production, the environmental damage has been increased.

These criticisms of the policies beg certain questions: how has this state of affairs come into being? Why has the state, in the post-war period been so willing to support agriculture, almost to the hilt? Why were the costs to consumers and the environment easily brushed aside in the pursuit of

ever increasing agricultural output? This Chapter has concentrated on sketching out the main lines of state involvement (a truly comprehensive account of state support for agriculture would need to consider a whole host of items from expenditure on agricultural education programmes to tax relief for farmers) to indicate the extent to which the whole trajectory of agricultural development has been guided by the state. We need to look now more closely at this institutional actors involved in this process, then some of the above questions can be answered.

#### Notes

- (1) Fennell argues that a fundamental contradiction lies at the heart of this approach. The provision of direct aid to 'vulnerable' farmers would "run counter to the commission's own view that there is room for further structural change in agriculture as the provision of a transitional aid would surely slow down the rate of change" (1987, p70).

### CHAPTER 3 : THE POLICY PROCESS AND UK AGRICULTURE: THE MAFF/NFU PARTNERSHIP

It is not uncommon for the decision making process in UK agricultural policy to be held up as a "classic" case of corporatism (Grant 1983). Grant (Ibid), Metcalfe and McQuillen (1979) and Cox et al (1986c and 1987) have all christened the relationship between the MAFF and the NFU as essentially 'corporatist' in nature. This interpretation has been disputed by other commentators. Jordan and Richardson, for instance, argue that the discovery of corporatism "appears to have been unnecessarily dramatic" (1987, p94) and see the MAFF/NFU relationship as simply another example of close group/government relations.

We shall return to this debate later, but for the moment it is sufficient to note that the agricultural policy process has been distinguished by close ties between the policy-makers and farmers' representatives. To understand how this came about, and how determinate of the policy this relationship has been, we need to trace the historical development of the main actors - most notably the Ministry of Agriculture and the National Farmers Union and their respective roles in the policy process. This may perhaps point a way through the debate between corporatism and pluralism and allow for a more satisfactory approach to the policy process.

(i) The UK Policy Process

As we saw in Chapter Two, for most of the nineteenth and early twentieth centuries there was no such 'entity' as a UK agricultural policy. The Board of Agriculture and, after 1920, the Ministry of Agriculture were small departments with restricted remits which only covered technical and research concerns. The outbreak of the First World War did not lead to any significant change in the department. Initially, as no steps were taken to guarantee food supplies, the work of the Board changed little. In 1917 with the change in policy a Food Production Department was established as a separate department within the Board directly responsible to the President. This Department operated mainly through the local committee structure. In the immediate post-war period it was disbanded (Winnifrith 1962, pp24-25).

It was not until the 1930's that the narrow technical concerns of the Ministry began to expand. With the adoption of a tariff policy the Ministry began to play a coordinating role between such departments as the Board of Trade and the Treasury.

The initiation of subsidies for wheat, sugar beet, beef and milk in the mid-thirties led the Ministry into a more interventionist role. Bodies such as a Sugar Commission, a Wheat Commission and a Cattle Committee were set up by the Ministry to oversee the schemes, working directly under the Agricultural Ministers (Ibid p26).

This expanded role of the Ministry meant that the outbreak of World War Two did not necessitate the establishment of a separate food production department, as during the previous conflict. On the day war was declared a reorganisation of the Ministry was carried out and the new organisation sufficed until the war's end (Murray 1955, p321). With the local committee structure once again in place the role of the Ministry was essentially one of policy-making and coordination. "It confined itself to laying down the general lines of what was wanted and left the County War Agricultural Executive Committees to carry it out" (Ibid).

The introduction of a comprehensive agricultural policy during the Second World War expanded the activities of the Department enormously. Moreover, these new responsibilities brought the Ministry into much closer contact with representatives of most sections of the agricultural community, most notably the National Farmers Union, the Central Landowner Association and the Marketing Boards. This was facilitated to some extent by the background of the new staff brought into the Ministry during the war period. They came mainly from the professions associated directly or indirectly with agriculture and therefore the inter-personal links with these bodies increased (Allen 1959, p266). The new practices were most clearly exemplified by the Annual Price Review adopted by the Minister of Agriculture, Lord Hudson, in 1944. After a disagreement with the NFU in 1943, a more stable relationship between the Ministry and the Union was formalised in the review, whereby the two sat down together, discussed the prospects for the industry and the future levels of state support. With the coming of peace in 1945 the NFU

pressed for this Review to continue. The new Labour Government's inexperience in agricultural matters combined with the urgent need to expand food production in the immediate post-war period, ensured that the relationship between the Ministry and the Union remained close. The Annual Price Review was maintained and the NFU was regarded as spokesman for the industry (Self and Strong 1958, p19).

For the NFU this was the crowning moment in its history. Formed in 1908 by a group of Lincolnshire farmers, concerned at the appearance of a farm labourer's union in 1906, the NFU quickly spread and by 1910 had 15,000 members throughout England (Phillips 1984, Appendix Two). The Union gained an initial boost in membership from the First World War and the state's foray into guaranteed prices. By the early 1920's membership stood at 100,000 (NFU 1926, p12).

The NFU prided itself on being a democratic union. Local Branch Committees were established, elected by individual members. A County Branch tier was made up of members of the Local Branches. Each County Branch sent delegates to the headquarters Council in London. This was the supreme policy-making body, a kind of agricultural 'Parliament'. It also elected the President and the Vice-President. The Union established an extensive committee structure covering all the main commodities and various service functions such as parliamentary business and legal matters. In 1926, 17 committees were in operation (Ibid p6).

During the inter-war years the NFU had no clear strategy in representing its members interests. With the state standing back

from any concerted intervention in the late 'twenties and early 'thirties, the NFU concentrated on establishing links across a broad range of institutions. It sponsored MP's and tried to influence parliamentary committees. However its failure to establish close links with any party but the Conservatives meant that it became closely identified with that party (Self and Storing op cit, p18). By the end of World War Two, despite its new found status with the state, the Union still regarded the Labour Party with great suspicion. Political neutrality, as a clear strategy, was "stumbled on almost by chance through discovering that Labour acted not as a lion but an almost sacrificial lamb when put to the test over agricultural matters" (Self, P in Allen 1959, p332).

The privileged status accorded the NFU at the Annual Price Review consolidated the Union's dominance over the agricultural policy landscape. By being brought inside the policy making process the Union could claim to be the 'voice' of the industry. The NFU projected itself as being "above politics" and attempted to operate as a "junior partner" of the state (Ibid). Consequently, membership continued to increase and by 1949 the Union claimed 200,000 members (Phillips op cit, Appendix Two).

The Annual Price Review became the 'font' of agricultural policy. The review's character became shaped by a series of "understandings" between both participants (Self and Storing, op cit p21). The Review lasted for around three to six weeks and contained two main stages: firstly, the aim was to review the situation of the industry and make some provisional decisions upon what kind of award should be



forthcoming from the state; secondly the global award was divided amongst the various commodities and finalised (Self and Storing 1962, p76). While the Ministry tried to stress that the Review should not be referred to as "negotiation" but rather as "consultation" (Winnifrith op cit, p49) a practice soon developed whereby the Union gave a formal endorsement to the final settlement (Self and Storing 1962, p63).

The Review discussions were conducted on the government side by officials from the three Agriculture Departments MAFF, the Department of Agriculture for Scotland and the Northern Ireland Agriculture Department - latterly, after 1978, Welsh Office (WO) officials also participated). Treasury officials were also present to monitor expenditure plans (Winnifrith, op cit p49, Self and Storing 1962, p28). Officials from other departments were brought in as necessary. On the NFU's side, their representatives consisted of the President and other chief officers and officials from the NFU's in England, Scotland and Northern Ireland (Winnifrith op cit, p50).

For the first few years of its operation the two sides were able to agree each Review and it was not until the expansion of agriculture became more problematic in the mid-1950's that disagreements became public. The NFU refused to agree the 1956 Review and it had to be imposed. Thereafter imposition became more regular, taking place eight times before 1972 (Winegarten and Acland-Hood 1978).

Nevertheless the relationship between the NFU and the MAFF remained extremely close. With the expansion of its membership, and therefore

revenue, in the post-war period the NFU became a large and effective pressure group. Its staff numbers rose, with the local branches being served by over 400 Group Secretaries and Assistant Group Secretaries and their deputies and assistants. The counties employed approximately 600 staff in total. There was a large bureaucracy at the London headquarters of approximately 240 (Phillips 1984, p43). This growth in its operation ensured the NFU became extremely effective:

"Its leaders, and more particularly its bureaucracy are connected by dozens of informal ties with all kinds of agricultural policy-making and administration. The habits and attitudes engendered by the annual price review are all pervasive" (Self and Storing 1958, p23).

The Price Review's importance in determining the pattern of policy-making goes some way to understanding the trajectory of post-war agricultural policy towards continued expansion at the cost of most other considerations. As a senior officer at the MAFF put it:

"... one cannot help regretting that we seem to have a mechanism that as well as focussing the farmers' legitimate interest in their prices, seems somehow to throw out of focus a good deal else - economies in the use of inputs, the pattern and balance of enterprises and better marketing - that also could contribute to better profits. These other matters are not neglected and the industry's record of improving productivity is quite impressive, but prices rule the roost" (Kirk 1964, p168).

The dominance of agriculture over other areas of food and rural policies was consolidated by the merger of the Ministry of Agriculture and the Ministry of Food in the early 1950's. This took place on terms which favoured the Agriculture Department and according to Kirk "some of my colleagues formerly in the Ministry of

Food after surveying their new duties complained that they had been shanghied into the Ministry of Agriculture" (Ibid, p164).

This close relationship between the MAFF and NFU was therefore decisive in shaping agricultural policy. Furthermore, this kind of decision-making took place "in the absence of public opinion ... agriculture seems to have a higher perimeter fence around it than most such policy arenas" (Grant op cit p133). Partly this was a consequence of the Ministry's code of conduct:

"In the main a Department tries to conduct itself so that comparatively few ... people ... have occasion to criticise anything, and sometimes that can mean that it submits itself in advance to some degree of censorship of thought or action" (Kirk op cit, p172).

This "censorship" could be undertaken jointly with the NFU allowing the Ministry to ascertain what would be acceptable to the industry, while also allowing the NFU to gauge what would be acceptable to the state in pushing its demands. The relationship therefore conformed to certain 'rules of engagement'. These were listed by Wilson as:-

"... those consulted should respect confidences, ... they should refrain from political activity which might embarrass the Government during discussions ... their proposals should be 'reasonable' or moderate and ... the organisation should produce a spokesman who has clear authority to speak on its behalf. A pressure group which did not conform to this code might still be consulted formally. It would not, however, enjoy the same opportunity to shape the Government's own opinions in their formative stages" (1977, p37).

Of necessity, a group conforming to these rules would allow its leadership room for manoeuvre in negotiations.

"The secrecy, or 'confidence', which the Government required as a condition for frank consultation strikes an immediate blow at the authority of its Council. The Ministry will not allow the NFU's representatives to take one of its proposals to a vote or even debate in the Union's Council. The Union's position must be stated and formed by its officers" (Ibid).

The relationship between the MAFF and the NFU therefore decisively shaped the internal development of the latter. The NFU's leadership and headquarters bureaucracy worked closely with the MAFF at all levels. Distinguishing the 'interests' of each institution therefore became problematic. Richardson et al in a study of inter-departmental conflict between the MAFF and the Department of the Environment over responsibility for land drainage pointed out that "just as it was in the interests of the group to defend the status quo over land drainage, so it was in the interests of MAFF to defend its own administrative territory" (1978, p61). In this conflict the MAFF and the NFU worked together for basically the same ends. As regards to policy the above authors commented that "where policy-making emerges from a membership as close as the agricultural lobby and MAFF it is difficult to give the pedigree of any one idea" (Ibid).

Both sides gained advantage from this relationship. The state gained the cooperation of the industry's leading representative and, given that it needed the cooperation of thousands of individual producers, this was an effective way of achieving consent for its policies. Furthermore, conflicting demands from within the industry were reconciled by the NFU:

"The Union became obliged both to reconcile sectional differences among farmers and to explain and defend, at least in some measure, the price settlements which it helped to shape. Both these functions were a convenience to Government, even though they equally made the Union a more formidable opponent if crossed" (Self and Strong 1962, p64).

As this last comment indicates, the NFU gained status and strength from this arrangement. Its status was that of "junior partner" of government and its strength was that of the only voice of the industry recognised by the state.

For much of the post-war period this settlement worked well. Although the NFU refused to sanction all Price Reviews and at times suffered strained relations with certain Agriculture Ministers (for instance Fred Peart in the late 1960's) both sides had too much to lose by a complete breakdown. Conflict therefore was dealt with behind closed doors and rarely spilled into the public realm.

However, it was not always easy for the NFU to satisfy the various commodity and regional constituencies within its ranks. This was achieved for much of the period by the semblance of opportunity offered to these constituencies by the Union's complex committee structure. However, it was not always successful in reconciling the diverse claims of livestock and cereal, large and small farmers and at times the strains manifested themselves in outbreaks of conflict (discussed more fully below in Chapter Five). During these periods the make-up of the Union elite came under scrutiny and accusations that it was the large arable farmers who were running the show were made (see also Chapter Five). There appears to have been some truth

in such claims. According to a survey by Phillips "no Chairmen of a Council Committee had a holding of less than 200 acres" (1984, p46). The Western Mail pointed out in 1966 that for "an NFU Council delegate ... to do his work properly as regards preparation for meetings, attendances at committees, the Headquarters Council in London and his own county executive, at least a week's work a month is involved" (WM January 27 1966). Clearly the small working farmer would not be able to afford this time away from his/her farm therefore the Union, in the main, would be run by the larger, more leisured farmers. This is not to suggest that such farmers would unambiguously wish to further their own interests, but where autonomy was ceded to the leadership and negotiations required swift decision-making the predilection of such leaders would be towards the interests of farmers who shared their position.

(ii) Corporatism and agricultural policy

The institutional complex, therefore, from which agricultural policy derived, shaped to a considerable extent the policy itself. The question remains however, why was agriculture characterised by such a close group/state relationship?

Grant gives three main reasons: the organisational ability of the farming lobby; the willingness of the state to engage in such a relationship; and public attitudes which allowed such a settlement to take place (op cit, p132). The first of these derived from the necessity for a sector characterised by many small producers to have

strong political representation; the second from the necessity to expand food production in the post war period; and the third from the climate of 'goodwill' towards the farming community which existed at the end of World War Two. Thus, for Grant, a 'corporatist bargain' was struck between state and interest groups.

Cox et al argue that what is crucial to corporatist intermediation is that "representative interest groups assume some responsibility for the self-regulation and disciplining of their own constituency in return for privileges afforded by the relatively close relationship with government" (1986c, p476). The importance of self-regulation was that it ensured the co-operation of the many small producers in the vast array of government programmes (Ibid p480).

While Cox et al and Grant disagree over the extent to which this relationship subjected the farmer to formal controls and therefore "sacrificed" his/her "autonomy" (Ibid, p486) both describe the relationship as "corporatist". What distinguishes corporatism "is the salience of producer groups and their capacity to regulate their own constituencies and reach bargained agreements with state agencies" (Cox et al 1987, footnote, p74). For Jordan and Richardson this does not in fact distinguish corporatism from the predominant 'policy style' of government and administration. They list a number of factors which underpin policy-making by group integration: cooperation "pre-empts" the overt politicisation of issues; the expertise of the group can be drawn on by the bureaucracy; the cooperation of the groups may ease policy implementation; by restricting access to policy formation to one group - a "discussion

partner" - the state agency can gain advance knowledge of the likely reaction to the measures; there are established customs of consultation within many branches of government and there is a cultural bias towards consensus and therefore consultation (1987, p94). So "while the NFU might be the textbook example of an influential group it is worth noting that from the NFU perspective its achievements are incomplete and unpredictable" (Ibid p111). This equates with the view expressed by NFU personnel. According to Holbeche, Parliamentary Officer of the Union,

"in no sense could the NFU claim that it is in a position of power. We cannot pull levers anywhere. What we can do is persuade people who have got access to the levers to operate them in directions we think will be beneficial. We are very much in a position of influencing and encouraging and persuading" (1986, p40).

By neglecting the extent to which the NFU is powerless in the face of state intransigence Jordan and Richardson claim an "exaggerated picture" of Union "insiderness" is drawn (op cit, p113).

While it is impossible to draw any definite conclusion from this argument, it seems that what is at issue here is the proper use of terms. What Jordan and Richardson object to is the use of the term 'corporatist' to describe a relationship which has been given exaggerated significance. This in turn has led, in their view, to an overstatement of the NFU's influence in the policy process. Grant and Cox et al, on the other hand, have used the concept of corporatism quite deliberately to highlight the extent to which the MAFF and the NFU have dominated and monopolised the agricultural policy process. In their view, the relationship between the two



agencies epitomises a "distinctive style of interest intermediation" (Cox et al 1987, p74).

For our purposes what can be drawn out of this is the possible dangers inherent in the use of the concept of corporatism. While the term clearly captures something of the relationship between the MAFF and the NFU it does so in a way which plays down change<sup>(1)</sup>. While the MAFF/NFU relationship may well have conformed to a classic notion of corporatism at some point in time, eg, the late 1940's and early 1950's, this does not mean it remained so. What Jordan and Richardson are pointing to is the possibility that the NFU no longer commands, if it ever did, such exceptional and distinctive influence within the sphere of governance.

The first principal change in agricultural policy-making which threatened to undermine the NFU's position with the MAFF was the UK entry to the EEC in 1973. The adoption of the CAP meant that the locus of power in agricultural decision-making shifted to Brussels. Here a complex array of institutions were involved in the policy process. The MAFF and the NFU had to find a new role for themselves within the European forum.

(iii) The European Policy Process

The two main actors in the European policy-making context are the Council of Agriculture Ministers (CAM) and the Commission of the European Communities. In short, the role of the Commission is to 'propose' legislation while the CAM 'disposes' (Petit et al 1987, p14). While this demarcation of functions is blurred in practice it serves to describe the main role of each body.

The Commission has been described as "an actor with two souls: a bureaucratic soul and a political one ..." (Ibid p114). The bureaucratic soul is the Directorate General (DGVI) with responsibility for the CAP. DG VI contains 10% of the total administrative staff in the Commission and is therefore one of the largest of the Directorates (Harris et al 1983, p16). The internal structure of DG VI is broken up into units dealing with all facets of agricultural policy. The Directorate is renowned for separateness, for "keeping other Directorates General at arms length" (Ibid).

DG VI played a formative role in the development of the CAP and "attaches a high priority to playing the role of mentor and guardian" of the policy (Petit et al, op cit p115). In fact the development of the DG VI seems to have been tied closely to the development of the CAP. As the CAP grew in importance so did DG VI and, clearly, like any bureaucratic structure, it aimed to keep "complete and tight control" over the policy (Ibid). The importance of the DG VI lies in its extensive links with both the commission and the CAM. Furthermore being a bureaucratic and hierarchically structural

organisation a considerable amount of power resides at the top with the Directorate General and his/her advisers (Ibid, p116). The Directorate General plays a full part in the key agricultural policy discussions.

The "political soul" is represented by the President of the Commission and the various nationally appointed Commissioners. The Commissioners themselves have a dual role: firstly, as members of the Commission, they must fulfil its primary objectives which are:

- "1) To act as major guardian of the Community's achievements in the institutional, political, economic and social domains;
- 2) To preserve and possibly increase its share of power within the Community's hierarchy" (Ibid, p116).

Secondly, they act as 'bearers' of national interests, attempting to further, within the constraints imposed by this dual role, domestic political objectives, or, at the very least, ensuring that Commission proposals do not conflict with domestic policy.

Each Commissioner is advised by a 'Cabinet' composed of five advisers usually from the Commissioners' national state. These cabinets are important to the extent that they provide "a line of communication to the Member States from the Commission (Harris et al, op cit p16).

The Commission is charged with the responsibility of drawing up Community legislation<sup>(2)</sup> which it then presents to the CAM. Clearly in performing this function the Commission is working under various constraints. Apart from the most obvious of these - the

institutional constraints imposed by other bodies such as the European Parliament, the budgetary constraint (which has become more of a determinate influence as time has gone on) and external constraints such as those imposed by sensitivity to the wishes of trading partners - the Commission is acutely aware of the need to tailor its proposals to the bargaining process which will follow. Because the CAM is made up of diverse national interests, the Commission, to ensure its proposals have some chance of success, must tailor them to what is a) politically feasible while b) allowing some room for 'horsetrading'. The proposals it puts before the CAM are therefore usually in the form of a 'package'. By putting together a series of proposals the Commission gives the CAM room for manoeuvre in the negotiations. In this way "the Commission acts as a "midwife" helping the Council deliver its decision" (Petit et al, op cit p14).

The CAM is the decision-making body in the agricultural policy process. This too has a dual role (Ibid p121). Firstly, the CAM is composed of ministers of member states who pursue their diverse national objectives through the negotiating process. Secondly, the CAM is an actor in its own right: "there is no doubt that the CAM behaves as an autonomous actor when confronted with other ministerial councils" (Ibid). The Council of Ministers takes the final decisions on all EEC agricultural legislation including most importantly the level of prices and guarantees, set annually in the spring. Having made its decisions it then hands back the legislation to the Commission to be implemented.

The CAM is serviced by a body of permanent officials independent of both the CAM and the Commission (Harris et al, op cit p17) who also provide material for the various committees that process the draft legislation before it reaches the CAM. Agricultural matters are discussed initially by the Special Committee on Agriculture (SCA) staffed by permanent officials from the member states (Ibid p18). Proposals which come before the SCA will either be passed on to the CAM or referred to a technical working party for further examination. It is in the course of these discussions that the draft legislation begins to take shape. The Commission will accept modifications to its proposals and the legislation becomes suitable for presentation to the CAM, where, often, little more than a rubber stamp is needed. Where the CAM must make more difficult decisions the process of bargaining may be slow. In the CAM decisions must be unanimous therefore the outcome of each set of negotiations must ensure that no one member is humiliated (Petit et al, op cit pp16-17). Thus the value of the 'package' approach. As decisions are taken on several issues at once concession on one proposal can be offset by benefits on others (Ibid).

Once the decisions have been taken then the Commission is charged with implementing the proposals. In this function the Commission acts in a similar fashion to a national government. It issues legislation which is then binding throughout the Community. However, in the course of this national interests act as "watchdogs" over the process and the Commission usually exercises its delegated powers in consultation with them (Coombes 1970, p85).

National influences are therefore fed into the decision-making process at various points. Firstly, the Commissioners and their Cabinets are drawn from the national governments. Secondly the Special Committees are made up of national representatives. As these usually meet weekly they are shadowed by meetings within national state departments where the agenda is discussed and policy "lines" are agreed (Fennell 1979, p57). Thirdly, the CAM is made up of ministers from member states, and fourthly, national representatives oversee the process of policy implementation.

There is another important form of national input to the policy process. This comes from the activities of national and EEC level interest groups, attempting to influence the policy process. In the agricultural arena the most important of these is COPA. This is an umbrella organisation covering a representative interest group from each member country (the NFU represents the UK). COPA is headed by a Praesidium made up of permanent representatives from each member organisation. It meets regularly and represents COPA in its many meetings with the Commission. Once a year an Assembly is called which lays down the general guidelines for policy (Ibid p63).

"COPA exists to put forward a unified producer view to the Community Institutions and in particular to the Commission" (Ibid). Therefore it has the difficult task of forming a common line from the diverse national interests. This of course is relatively easy when the issues entail a common stand amongst farmers vis-a-vis other, non-agricultural, interests than when the conflicts are between farming interests. Nevertheless COPA has, in the past, effectively dealt

with the problems this entails and for the Commission and the CAM it provides a valuable forum for exploring what kinds of compromises are likely (Petit et al, op cit p123).

COPA has established strong links with the Commission and provides personnel for the various Agriculture Advisory Committees on commodities, structures, etc (Fennell op cit, p64). According to one seasoned commentator "it is clear that in the process of formulating agricultural policy, Commission officials responsible took a great deal of note of which they were told by COPA representatives" (Gardner 1987, p170).

The other main forum where national interests are expressed which is worth noting here is the European Parliament. This institution has the role of expressing opinions on draft legislation from the Commission and on the decisions of the CAM. However, at present, its powers are seriously limited by the fact that the Commission is not obliged to modify its proposals in the light of the Parliaments opinions. Therefore, the European Parliament plays only a marginal (though gradually expanding) role in the policy process.

The UK's entry to the EEC therefore signalled the decline of the Annual Price Review. Although this continues it is now little more than a review of the state of the industry. However, the relationship between the MAFF and the NFU remained close after entry. While the NFU was able to join COPA and therefore gained access to the Commission it took its place as only one amongst many national groups. The Union soon discovered that it could be equally effective

by working through the MAFF. As one NFU official put it "we try to persuade the Minister of Agriculture to toe our line. Most of our work is still done here in London" (quoted in Grant, op cit p136). The MAFF has access to the Commission and the CAM at various levels - through the Committees, upon which its representatives sit, and in the Council itself through the Minister. The Commission also ensures that the MAFF is kept fully informed on all draft legislation:

"MAFF usually knows well in advance that a particular piece of legislation is being drafted by the Commission - indeed, members of the Ministry staff may have been consulted about it or may have sat on working parties discussing it ..."  
(Fennell, op cit p50).

Clearly the importance of a close working relationship with the MAFF is still of profound importance for the NFU. Nevertheless the Union has broadened its contacts in Europe. It staffs an office in Brussels and established a European Agriculture Liaison Group to study European matters (Philips, op cit p50).

While the NFU clearly needs a close working relationship with the MAFF to enable it to get 'inside' the policy process, entry to the EEC wrought significant changes in the basis of this relationship. The MAFF no longer determines policy in isolation; it is merely one voice amongst many in Europe. The MAFF may still "carry the NFU ball" (Jordan and Richardson, op cit p112) but this does not guarantee favourable policy outcomes. Where farmers are faced with the imposition of unpopular policies both the MAFF and the NFU find it necessary to justify them. Clearly the MAFF will find it easier to gain the consent of the farming community if it can remain close



to the NFU, but if necessary it will impose policies which are opposed by the Union.

Another aspect of entrance to the BEC makes this clearer. As we saw earlier in Chapter Two, by the late 1970's the Common Market was in acute surplus in certain key commodities, most notably milk. This entailed the adoption of certain measures designed to curb output. The MAFF and the NFU were both aware that such measures were likely to be implemented but could not agree on the correct course. The MAFF position was that price cuts should be the route taken while the NFU equivocated between price restraint and quotas, seeming to be opposed to both. The package agreed by the Council of Ministers on the 31 March 1984 was hailed by the Agriculture Minister as a success despite the adoption of quotas. Notwithstanding the outcry from various sections of the farming community (see below, Chapter Five), and opposition from the NFU to the whole scheme, the MAFF/NFU relationship never looked threatened. "There were disappointments but there had been no irreparable quarrels and no disorderly retreats" (Petit et al, p103). What remains unclear is why, when the state may need to implement policies which are unpopular with the farming community, it still upholds the power of the NFU. Why, for instance, would the task of implementing such policies not be made easier by the existence of a divided farm lobby?

The introduction of milk quotas is also instructive on this point.

Since both the MAFF and the NFU opposed the introduction of quotas they were able to blame the EEC for their eventual introduction. The

two agencies could then concentrate their attention on the details of implementation, claiming to seek the best deal for British producers.

Winter (1987) makes this point in relation to the NFU:-

"... the NFU emerged remarkably unblemished from the episode. In some ways it was able to turn to its advantage the apparent unreadiness for quotas. The speed of imposition could be blamed upon the EEC. There was nothing the union could do to reverse the policy so it had best devote its efforts to making it work properly" (p8).

The MAFF also benefited from the NFU adopting this approach. The quota system was extremely complicated and needed to be implemented quickly. The cooperation of the NFU was essential if this were to be achieved successfully. By, for instance, supplying staff for the quota tribunals, the NFU became the MAFF's willing accomplice in the implementation of quotas.

The introduction of unpopular policies may therefore actually be facilitated by a strong farm lobby closely attuned to government thinking. For this to be achieved however, the farm lobby may need to give the appearance of being distant from the formulation of such policies so as to maintain the support of its members. It can then claim to be acting in the face of the inevitable in order to make the 'best of a bad job'.

## Conclusion

Whether we use the label "corporatist" to describe the "symbiotic" relationship between the MAFF and the NFU hinges on whether the term is used to denote a distinct form of governance or is part of a continuum ranging across policy styles. As we can see, the relationship between the MAFF and the NFU has not remained static but has adapted in the face of changed circumstances. How much further it will have to adapt is at present unclear but the pressures now confronting agricultural policy make the 'old style' of policy-making more difficult to maintain.

Whether we term this relationship as "corporatist" or not it is clear that the NFU was allowed almost unrestricted access to state policy making during the post war period. This 'arrangement' allowed the Union to define the interests of the agricultural industry in a particular and partial way. The MAFF, in broad terms, showed itself willing to share and shape the NFU's priorities. However, this arrangement did not reward all sections of the agricultural industry equally. The history of agricultural policy shows that some producers did considerably better from state support than others. This inequality exhibits a spatial dimension. Those regions dominated by the larger (mainly arable) farmers showed clear signs of agricultural affluence while other regions made up primarily by small-scale (mainly livestock) producers betrayed little evidence of such prosperity. In these latter areas the structure of agriculture, its role in the locality and the practice of agricultural politics differed markedly from that found in the more affluent areas. It is to one such region, with a distinct political and cultural identity, that we now turn to examine in detail the effects of state intervention in its agriculture.

## Notes

- (1) This problem has been recognised by other users of 'corporatist' analysis. Saunders admits that corporatism, as an 'ideal type', is an "idealised abstraction frozen in time". However, as history is "a clutter of infinite events" then "some pure construct is necessary in order to identify change in any given phenomenon over time" (1986, p22).
- (2) This legislation takes three forms: 'regulations', 'directives' and 'decisions'. Regulations are legally binding in all member states and do not therefore require implementation through national legislation. Directives are also binding but member states may choose how they are implemented. Decisions are only binding upon the "legal entity to whom they are addressed" (Harris et al, op cit p32).

PART TWO

INTRODUCTION : AGRICULTURE, RURAL WALES AND SOCIOLOGICAL ANALYSIS

Any discussion of such self-evident entities as 'rural Wales' and 'agriculture' would immediately run into profound conceptual difficulties if it disregarded certain key questions such as 'what is Wales?', 'who are the Welsh?' 'what is rurality?'. While commonsense understandings of these terms are readily available, and will obviously inform our discussion, some attempt must be made to analyse how these terms have traditionally been used in previous discussions of the 'Welsh' 'rural' areas. This might usefully be achieved by briefly outlining recent sociological analyses of the 'region' (another problematic term which will also be scrutinised), highlighting other attempts at confronting these problems. This should hopefully enable us to pinpoint deficiencies and weaknesses in earlier approaches while enabling us to utilise their respective strengths.

The purpose of this introduction then is to lay the groundwork for what follows in subsequent chapters, to consider how the following discussion of the state and agriculture in Wales should be developed in the context of a tradition of Welsh sociological analysis.

The first major piece of sociological work on rural Wales has generally been regarded as Alwyn Rees' study of Llanfihangel yng Ngwynfa in Montgomeryshire. Published in 1950, Rees' 'Life in a Welsh Countryside' was an anthropological analysis of a tightly knit Welsh rural community : "an

attempt ... to record the dying Welsh culture before it succumbed to encroaching English influences" (Bell and Newby 1971, p137).

Rees studied the Llanfihangel community virtually as a closed system, looking in particular at the ties, such as kinship, which bound the community together. Rees stressed "the completeness of the traditional rural society - involving the cohesion of family, kindred and neighbours - and its capacity to give the individual a sense of belonging" (Rees 1950, p170 quoted in Bell and Newby op cit pp139-140). He contrasted such a timeless unit with the rootless, alien English culture which encroached on Llanfihangel and threatened its existence. Change and disruption were somehow 'un-Welsh', imposed from outside on the 'real' Wales. "There was a limited sense of process and, more importantly, no examination of internal contradictions or tensions which might fuel or amplify future change" (Day 1979, p449).

This highly influential study established an 'Aberystwyth School' of research using much the same approach as Rees (see for example Rees and Davies (eds) 1960 'Welsh Rural Communities').

Similar sentiments could also be found in the geographical work of E G Bowen, also based in Aberystwyth. Dividing Wales into "Inner" and "Outer" Wales, Bowen saw the former as the Welsh 'heartland'. This encompassed the rural areas of north and mid Wales.

"In the end it is the culture of Inner Wales that has given Wales its personality, its language, its religion and song. These survive into the modern epoch and represent the real Wales" (Bowen 1976, p9).

Change when it occurred came from Outer Wales, an area riddled with 'alien' influence.

The tradition exemplified by such work held sway over social research into such areas throughout the 1950's and 1960's. "The object of interest was the 'community' viewed, as a virtually self-contained phenomenon bearing little relation either to a wider society or to history" (Day op cit, p449). Such research had "become fossilised within a sociological time-capsule, anachronistically committed to a paradigm long since discarded empirically as well as in social theory" (Bradley and Lowe 1984, pp2-3).

By the early 1970's however, new approaches, with a very different background began to predominate. Drawing on the work of A G Frank, "dependency theory" was regarded as a suitable approach to the study of Wales. Now the Welsh "periphery" came to be seen as locked into a subservient relationship with the "core", ie England. The development of the core necessitated the underdevelopment of the periphery (see A G Frank 1967, and, in the Welsh context, Hechter 1975)<sup>(1)</sup>. In one sense, this approach at least had the value of locating processes of development and under-development in external relationships; "problems of less developed areas are not simply intrinsic to them" (Day op cit, p 456). However, there were problems. In general, in dependency theory the "social and economic processes of the periphery had little significance and were treated as secondary, the mere result of external determination" (Alvi and Shanin 1982, p4). This had echoes of Rees: the traditional (peripheral) society was merely at the mercy of the urban (core). Furthermore, there was a tendency in this work to "fetishize the spatial" (Urry 1981, p451, see also, in the Welsh context, Rees G 1984). To talk as though one



geographical area determined the (under) development of another geographical area was to mis-specify the actual processes of development and under-development.

"To build social themes on the depiction of particular spaces - localities, regions, nations - as generally backward, underdeveloped or permanently peripheral, ignores the dynamism of spatial and temporal change in the means of exploitation within capitalist relations of production" (Bradley and Lowe, op cit p10).

The problem remained of trying to identify the processes of development both within and between different areas in terms which gave primacy to the social practices of groups, classes etc, ie human rather than geographical actors.

Contemporaneous with these developments was the resurgence of rural sociology, most notably through the work of Howard Newby and his colleagues (see for example, Newby et al 1978 and Newby and Buttel 1980). The focus here was on the changing nature of rural society looking in particular at the growth of capitalist agriculture. At the centre of this approach was a concern with "property". As Newby put it:

"landholding remains decisive in shaping the rural class structure. Property rather than occupation tends to be the defining principle of rural societies and rather than the division of labour, per se, it is the organisations of property relationships which shapes the nature of the class structure" (Newby 1978, p6).

Little work of this nature was undertaken in Wales, however; Newby's own research was conducted in East Anglia, "the region having been chosen because it approached an ideal-typical exemplification of the class-divided structure of British agricultural production ..." (Bradley and Lowe, op cit

p4). Wales, with its myriad of small holdings and part-time farmers did not appear to be promising territory for such work.

The main problem with much of the 'new rural sociology' was that it tended to equate rural with agricultural. As Gareth Rees pointed out

by focussing upon one particular aspect of capitalist production (agriculture) because this may have been the historically determining influence in given (rural) areas, attention may be diverted from the totality of contemporary processes operating in areas thus defined. Indeed, it may be that to begin from a conceptualisation in terms of rural localities may itself be misleading" (Rees G op cit, p34).

Rees' own agenda for research in rural Wales was shaped by the work of Massey (1978;1979) and Urry (1981). Here, regional analysis was based upon the premise that

"the social and economic structure of any given area will be a complex result of the combination of that area's succession of roles within the series of wider national and international spatial divisions of labour" (Massey 1978, p116, quoted in Rees G op cit, p32).

As capital becomes detached from spatial constraints it seeks out more favourable locations (taking advantage of, for example, cheap, non-unionised labour). Investment takes place in areas with no previous history in certain types of production (eg manufacturing in agricultural areas). As new investment enters a locality new divisions of labour are created, reshaping the old. The more roles the locality plays in the national and international economy the more complex the division of labour becomes. Rural localities, therefore, "may be viewed as the outcome of the use of space by particular fractions of capital" (Rees G op cit, p23).

The strength of this approach lay in its dynamic nature, the extent to which it focussed not on the spatial, per se, but on the processes of accumulations and circulation that produced visible, spatial effects. Attention was directed to the complexity and contingency of the locality's role in the wider economy. There was therefore no longer anything inherently different about rural areas; like urban spaces, their social structure would be defined by the combination of the different "rounds of investment" deposited there.

The weakness of the restructuring thesis, at least as it has been described here, can be exemplified by briefly turning to Urry's (1984) discussion of regional analysis.

Urry lists seven reasons why spatial unevenness should not be analysed in terms of regions: the concept of 'region' is arbitrary; pre-existing patterns of regional specialisation have been overlaid by new forms of the spatial division of labour; productive systems are no longer focussed on particular regions; regional variations in employment have been considerably reduced; regional divisions have been replaced by new divisions such as between the north and the south and middle England; capital is now regionally indifferent; there is increasing politicisation of economic change but no effective regionally based organisations in the UK (p53).

The term 'region' is here being used to denote a clearly observable economic entity. A region therefore can be regarded unproblematically (as

"non-chaotic") only if it manifests some structured unity. As far as Wales is concerned this problem is not new.

"Anyone rash enough to write about the Welsh economy in modern times is immediately brought up against what can only be described as a fundamental problem. Namely, that there must be serious doubts as to whether there has been in modern times, any such thing as "The Welsh Economy". Certainly it seems permanently to have been the case that the economic links of the various parts of Wales run east-west to England rather than north-south to other parts of Wales" (Williams L J 1983, p35).

Urry, of course recognises that the changes which he identifies that have undermined 'region' as a useful concept have been considered from the viewpoint of capital (op cit p54). However, he goes no way towards rescuing the term by linking it to any other social forces. What is left unexamined is how "the idea of regionalism ... directs attention to the way in which regions are constructed within various forms of discourse, and social practice" (Day 1987, p80).

To understand this process entails moving "inside", the restructuring analysis to identify how the changing division of labour articulates with the cultural and social practices of individuals and groups living in the localities and regions. In order to comprehend how "Wales" continues to have meaning we need to consider how Welsh people come to achieve common identity. This means a return to some conception of 'community'. Cohen suggests that

"people assert community whether in the form of ethnicity or of locality when they recognise in it the most adequate medium for the expression of their whole selves ... Such recognition does not imply necessarily that people perceive an exact identity of interest between themselves and their community. It could simply be that the community provides them with a model for the political formulation of their interests and aspirations ... " (Cohen A 1985, p107).

Wales functions as one such source of identity and is continuously utilised as a medium of recognition. Therefore, while Wales as an economic entity remains problematic, we must account for its continual 'existence' as a meaningful source of common identity to those people who wish to consider themselves as Welsh. Furthermore, we must take seriously, the various struggles that these people undertake in the process of constantly redefining their 'Welshness'.

In what follows, hopefully, the insights of the 'restructuring thesis' will be combined with a more general account of the formation of certain political interests in Wales. At the core of the study will be the activities of the state which had a determinate effect on both the patterns of restructuring in Wales and the ability of groups to further their political aspirations.

Although the intention is to concentrate on agriculture here we must take note of Rees' argument that too narrow a focus could detract from the totality of processes operating in the area under study. In Chapter 4 therefore, which deals with the restructuring of agriculture and the role of the state, where possible, the links between agriculture and the wider economy will be spelled out. This will be taken further in Chapter 7 where recent changes in state policies towards rural Wales are considered.

While it is recognised here that "what is specific to agriculture under capitalism is nothing" (Friedmann 1986, p44), the strict demarcation of agriculture as an economic activity is one which follows from its institutionalisation within the state. In an analysis so closely concerned

with state intervention it is necessary to 'follow' the state in this respect.

Chapter 5 considers the institutionalisation of 'Wales' in the agricultural policy process. A "political economy" approach is taken here. This refers to

"a methodological perspective which recognises the dialectical interaction between political and economic systems. Thus, markets are structured by political decisions and actions of various agencies of the state. They, in turn, are influenced and constrained by external groups where power is related to their structural position in the economy as well as to the strength of their political organisation" (Cox et al 1986a, p7).

The emphasis here, it should be noted, is on groups not class. No attempt will be made in what follows to identify the class character of Welsh agriculture, whether it be in terms of "peasant" "simple commodity producers" or "small capitalist producers"(2). This is not to argue that such an analysis of Welsh agriculture would be misplaced but is rather to take seriously the argument that such an approach

"must consider both sides of the relationship between relations within the family household, particularly gender and generational matters, and relations between farm businesses, families and external agricultural and finance capitals through the subsumption process" (Whatmore et al 1986).

This is beyond the scope of this study. What is shown here however is the extent to which the state and the demands of the national and international economy rendered profound changes in the structure of Welsh agriculture. While the effect of these changes of the class structure of rural Wales may be inferred, in what follows they will not be elaborated.

## Notes

- (1) Although Hechter provides a more complex analysis, centred around notions of culture, in the end he "falls into the same trap as A G Frank, by uncoupling internal and external class relations he is led to construct a model in which, nations or regions, oppress one another" (Day 1979, p465).
  
- (2) Friedmann argues that "simple commodity production implies minimally that all external relations of the enterprise are commodity relations, that is, the enterprise sells all it produces saving nothing for direct consumption and buys all it consumes, both for means of production and for sustaining the life of the labourers" (1982, p5). "Peasant" on the other hand implies subsistence production which "survives only to the extent that the law of value does not penetrate the cycle of reproduction of household labour" (Ibid, p4). Goodman and Redclift have taken issue with Friedmanns use of the concept "simple commodity production". They argue that simple commodity production is not a theoretical concept but is an "historically contingent form of production, and one which can be expected to undergo significant transformation in the course of capitalist development". They prefer the term "small capitalist producer" (1985 p238).

## CHAPTER 4 - STATE POLICY AND ITS IMPACT ON AGRICULTURE IN TWENTIETH CENTURY RURAL WALES

We should be clear from the outset that the historical development of Welsh agriculture was conditioned by a geography which seriously limited the practices of farmers in the region:-

"The relief of Wales and Monmouthshire comprises mainly a highland bloc fringed by a narrow belt of coastal lowland, which sometimes stretches as river valleys into the central massif : 27% of the total area lies above 1000 feet and a further 32% above 500 feet. The consequent high rainfall, the restricted number of sunshine hours and the relatively low temperatures have always been the most important factors, limiting agricultural practice in the Principality ... Such conditions favour pastoral farming and so the region is differentiated from the sunnier, cereal producing 'lowland zone' to the south east of the line" (Howell 1977, p xii).

Welsh farming was, therefore, and remains, predominantly grassland farming, producing chiefly livestock products.

Within the harsh landscape there was sub-regional variation in farming practice. Where possible in what follows these variations will be considered but in the main what is provided here is a general analysis of Welsh agriculture. This is divided into four periods - the late nineteenth century to 1939; 1939 to 1973 (Britain's entry to the EEC); post 1973 to the new policy developments of the mid 1980's. We will conclude with an examination of these new policies in the Welsh context.



We will concentrate on the main lines of development outlined by Rees (1984, p34); the transition from landlord to freehold farming; the increasing size of agricultural units; and the substitution of capital for labour. An attempt will be made to identify the dynamic behind these changes, in particular looking at the role of the state and the pressures imposed by Welsh agriculture's gradual integration into wider national and international markets.

The purpose of this chapter is to provide the economic background against which the political developments, discussed in Chapter 5, can be seen. Therefore, little attempt will be made here to analyse the political forces bearing on state policies; rather the focus is on policy outcomes and their role in changing the complexion of rural Wales<sup>(1)</sup>.

Section 1 : circa 1880-1939

At the beginning of the nineteenth century approximately 80% of the population of Wales lived in rural areas: by the end of that century this was down to 20% (Howell op cit, p1). A large proportion of this exodus was to the iron and coal works in South Wales and agriculture's share of the Welsh labour force fell sharply. In 1851 agriculture accounted for 35% of the male workforce in Wales, mining 17%. By 1911 32% were in mining and only 12% in agriculture (Williams J 1983, p35).

The mid 1850's also marked the heyday of arable farming in Wales (Ashby and Evans 1944, p11). In the later years of the century the area under permanent grass rose from 57.3% of the total cultivated area, in 1870, to 75% in 1914 (Howell op cit, p15). This development was in part a response to the declining labour force and the higher livestock prices over corn prices in the depressed later years of the century. Livestock numbers therefore increased between 1870 and 1914: the cattle populations rose by 24%, sheep by 26% and horses by 37% (Ibid p17). The increased numbers of cattle and sheep reflected not only the larger acreage of permanent pasture but also the application of basic slag and super-phosphates to the land in the 1880's (Ibid p18). The increased use of horses was a response to the decline in the agricultural labour force (Ashby and Evans, op cit p 35).

The pattern of farming in Wales varied according to terrain and the proximity of markets. North west Wales was predominantly a cattle rearing area while north east Wales concentrated on butter and cheese manufacture for the nearby urban markets. In the mountain areas of north and central Wales sheep provided the main source of income while in the lowlands of the

south east there was an emphasis on arable crops and livestock fattening together with the traditional manufacture of butter and cheese (Howell, op cit p3).

For much of the nineteenth century the farmer "produced practically all the basic requirements of life in food and clothing on his holding ... there was ... a compulsion to market in order to meet the demands of the rent, tithes and local taxation and labourers wages. Semi-subsistence farming therefore prevailed" (Ibid).

The production of cattle as stores, to be finished at around three years of age on the lush pastures of lowland England, was the traditional practice<sup>(2)</sup>. This continued until the turn of the century. Thereafter, the growing demand for smaller and leaner animals meant younger cattle were sold in this way (Ashby and Evans, op cit p32). The number of cattle over two years of age fell from a peak of 157,000 in 1892 to 81,000 in 1914 while cattle in the one-two year category increased from 170,000 in 1893 to 217,000 in 1914 (Williams J 1985, Table Agri 3). This shift to the production of younger animals enabled beef producers to increase their turnover and, therefore, returns.

The output of sheep at this time centred around the production of store lambs to be fattened on lowland farms. Welsh producers also supplied almost the entire needs of Welsh consumers of mutton and lamb (Ashby and Evans, op cit p67).

It is important to note however, despite the sub-regional trends in production, Welsh farming was still, at this time, small scale and

predominantly mixed: "the butter and storestock system in which breeding, milking, rearing calves, making butter and rearing and fattening pigs all formed part of one organic whole, was certainly the most widespread in the Principality down to the First World War ..." (Ibid p56).

The structure of land ownership changed little during the nineteenth century and the early years of the twentieth. In 1887, 89.8% of rural Wales was in the possession of landowners who rented their land to farming tenants (Davies J 1974, p186).

Owner-occupied Land in Wales

| <u>Year</u> | <u>Percentage of total cultivated area</u> |
|-------------|--|
| 1887        | 11.1                                       |
| 1894        | 11.8                                       |
| 1905        | 10.3                                       |
| 1913        | 9.7  |

(Howell, op cit p34)

The average size of Welsh holding in 1875 was 47 acres (remaining at that approximate level until the turn of the century). At this date there were 43,000 holdings under 50 acres, around two-thirds of the total (Williams J, op cit Table Agri 7) and a large proportion of these were likely to be dependent on some form of supplementary income. This was derived from employment in the other industries adjacent to the rural areas, ie, iron and coal in South Wales (see Jenkins D 1971, p52), quarrying in north Wales (see Jones M 1982, p22) and copper and lead mining in mid Wales. The structure of landholding in the rural areas surrounding these industries

was likely to be fragmented into small part-time farms. Other sources of income for this group came from local employment as, for instance, farm labourers, road menders, gardeners, shoemakers, tailors, carpenters and blacksmiths. (Howell, op cit p152).

Socially, the rural areas of Wales were marked by an acute cleavage between the gentry and the "peasantry" although "it is more accurate to think of the peasantry as divided into two distinct groups; at the top were the farmers and below them the cottagers or the 'people of the little houses'" (Ibid).

By the late nineteenth century the structure of landholding and the cultural distance between a Welsh speaking, Nonconformist peasantry and an Anglicised landowning class had produced profound political tension in Wales (3). Adamson argues that

"the commoditisation of land and the penetration of a 'capitalist ethos' into the rural economy [resulting in] the commutation of labour dues the changes of leasing practices ... and the rapid growth of the use of enclosure as a legal form of land encroachment [produced] ... a significant insecurity of tenure and added to the poverty and emmiseration of the tenantry" (1984, p211).

Nevertheless, despite the wholesale "antipathy" felt towards the landowning class (Davies J, op cit p210) landowners only began to divest themselves of their holdings in sizeable quantities in the years following the First World War. Between 1918 and 1922 "every major Welsh landowner placed at least part of his estate on the market" (Ibid, p192). Agricultural prices rose by about 300% between 1914 and 1920 and although gross rents increased, net rents fell and thus landowning income fell. However, the

value of land doubled (Ibid, pp195-196). The rational course therefore was to sell.

The increased prosperity of the war years enabled tenant farmers to take advantage of this spate of selling and many bought their farms, albeit with hefty mortgages (Jones 1982, p184) (Davies estimates that most farmers would probably have been able to raise about 20% of the purchase price (op cit, p202). Consequently, the area farmed by owner-occupiers increased by 36% between 1919 and 1922 (Howell, op cit p58).

The post-war slump and subsequent 'Great Betrayal' left many of these new owner-occupiers in a parlous state. "The repayment of the mortgage became increasingly burdensome ... Some sold out to their neighbours and left agriculture altogether and the number of holdings in Wales fell from 63,394 in 1918 to 58,024 in 1939" (Davies, op cit p205). Furthermore, many of the new entrants to agriculture during this period came from the working class and therefore brought little capital into the industry (Ashby and Morgan Jones 1926)<sup>(4)</sup>.

Howell noted that during the nineteenth century the "want of capital was singled out as a major cause for the low state of farming" (op cit p66). This feature was reinforced by the new pattern of ownership during the post-World War One slump. The value of landlords capital invested in Welsh agriculture declined by 21% between 1925 and 1931, that of the farmer by 23% (Davies, op cit p204).

Despite this long-term capital problem the use of farm machinery increased steadily throughout this period. Morgan Jones could write in 1926 "in the

last fifty years ... the revolution wrought by the substitution of manual labour by capital equipment in the form of implements and machinery for the accomplishment of farm work is patent to all familiar with the countryside" (p44). This concerned the increased useage of implements during the hay harvest and improvements in the quality of ploughs. By the 1870's Welsh wooden ploughs had been replaced by iron swing ploughs, produced mainly by local blacksmiths. However, their heavy design led to their replacement by lighter patent iron ploughs produced by English machinery manufacturers (Howell, op cit p131). This increased use of agricultural machinery signalled the decline of local craftsmen.

Horses still predominated however, and by 1939 there were only 1,619 tractors on agricultural holdings in Wales; one tractor to every 23 farms (Ashby and Evans, op cit p169). The introduction of the more expensive items of machinery progressed only slowly. In the inter-war years "world forces dominated the rural scene as never before and it was by no means easy for an unorganised community made up of thousands of small independent producers to keep abreast of the best modern industrial practices ...". (Ibid p16).

The total cultivated area declined between 1918 and 1939 by just under 200,000 acres (Williams J, op cit Table Agri 1). The acreage of permanent grass increased a little in most years, but the arable and, more especially, the area of tillage crops fell on average by 8,700 acres a year (Ashby and Evans, op cit p16).

At this time the role of the state was, as we saw in Chapter 2, limited. The legislation that was enacted during the 1920's did little to alleviate

conditions in the Welsh countryside although the exemption from rates and the standardised rent charge to some extent mitigated farmers' indebtedness. Protection could only have come from the state.

"The fortunes of rural Wales had become closely linked with those of other parts of Britain and the outside world, and the trend of agricultural prices as a whole was greatly influenced by factors external to the industry" (Ibid, p48).

The state took no measures during the 1920's that offered the Welsh industry any protection from world market forces.

Prices of fat sheep and fat lambs fell to their lowest level in 1932, improved between that date and 1938 and then fell once more (Ibid, p52). Fat cattle and fat cow prices fell steadily from 1930 and 1935 when the fat cattle subsidy, introduced in 1934, took effect. This subsidy was fixed in the light of market conditions although the state's liability was limited to £5 million per year (Murray 1955, p32); prices rose moderately. The price of store cattle fell between 1930 and 1933 and rose thereafter (the fat cattle subsidy worked its way through into the store cattle price) (Ashby and Evans, op cit p52).

It was not until the Second World War however, that the position of Welsh beef and sheep producers really showed any marked improvement. The Agricultural Improvement Council reported that "until the Hill Sheep Subsidy was introduced in 1941 the position of hillfarms proper was extremely serious" (1944). With the introduction of these headage payments producers gained direct income support.



The most notable casualty during this period was the "organic" system of butter-cheese making/rearing/fattening. "It was the full impact of foreign competition and the collapse in prices in the early thirties which really dealt the old system a blow from which it never recovered" (Ashby and Evans, op cit p56).

To counter foreign competition, the state was moved during the early 1930's to try and organise production both more collectively and more efficiently. With the aim of promoting the more efficient marketing of agricultural produce, provision was made for producer marketing boards (see above, Chapter 2). The most important of these for Wales was the MMB; its establishment was described as marking "the turn of the economic tide for Welsh agriculture". (Welsh Agricultural Land Sub-Commission 1955, p16). The cornerstone of the new scheme was a 'dual pricing policy' which allowed the MMB to pay all producers, no matter what their distance from the liquid markets, or the eventual usage of their output (liquid or manufacture), the same price. This, along with the standardisation of transport costs, was of immense importance to many Welsh producers particularly those living well away from the main liquid markets. The Scheme, in effect, meant cross-subsidisation between different milk-producing regions.

"Producers whose milk would go for liquid consumption in the absence of a pool price are subsidising producers situated where transport costs should prohibit consumption of their liquid and who could never produce for manufacture in competition with imported products" (Whetstone L 1970, p27).

With Wales on the whole on the receiving end of this cross-subsidisation scheme, many Welsh farmers, suffering due to the fall in butter and cheese prices in the late twenties and early thirties, were attracted to the Milk

Marketing Scheme. Between 1934 and 1939 the number of milk producers in Wales doubled, growing from 9,350 to 18,660 (Williams J, op cit Table Agri 13). This was directly attributable to "the uniformity of producer prices ... the guarantee of a market for every gallon produced ... (Whetstone, op cit p23).

Most of these new entrants to the liquid market were small scale producers. Although the number of producers increased by 9,310, cow numbers increased by only 4,300 (Williams L J 1985, Table Agri 3). Therefore, most of those entering the Scheme already kept cows used previously for butter and cheese production. The Scheme had considerable advantages for these small producers; prices were stable and predictable, the payment of monthly milk cheques ensured a continuous cash flow and provided an incentive for mechanisation and specialisation.

According to the Welsh Agricultural Land Sub-Commission "the inception of the milk marketing scheme heralded the modern age of Welsh agriculture and the final breakdown of the old peasant economy ... (op cit p16).

"By 1939 the transition from subsistence farming to production for the market was virtually complete" (Ashby and Evans, op cit p17). Farming had become more specialised, more mechanised (albeit within the limits of a continuous shortage of capital) and more fully integrated into the wider national economy both for sale of output and the purchase of inputs (Martin M 1982, p119). The agricultural labour force had declined markedly; between 1921 and 1939 17,000 people left the industry (Williams J, op

cit, Table Agri 9). Owner occupation had grown to 37% by 1941 (Ibid, Table Agri 8).

However, farming remained a precarious occupation and many farmers still struggled with debts and a shortage of capital. With approximately 60% of agricultural holdings below 50 acres, many farmers lived on the margins of viability, needing, where possible, to supplement their farming incomes from other sources. Welsh farmers survived the depression of the late nineteenth century and the inter-war period by exercising "excessive frugality in making their farms work ... the Welsh farming community took the only course of action open to them to allow them to survive, they saved and took no risks" (Davies R 1985, p30).

Nevertheless, by the Second World War Welsh agriculture could no longer be equated with "semi-subsistence" agriculture.

"It is abundantly clear that Welsh peasant farming had, in fact, succeeded to a remarkable extent, in adopting itself to the changing demands of an age of rapid transition. This measure of success was achieved without any consistent lead from those in authority and with facilities for technical education which can only be described as totally inadequate" (Ashby and Evans, op cit p169).

The state on the whole, played a minimal role during this period, being unwilling to give any substantial measure of direct support to hard-pressed Welsh producers. The outbreak of World War Two and the need for rapid increases in food output marked a decisive change in the state's approach.

Section 2 : 1939 - 1973

During World War Two the state assumed far-reaching control over agricultural production through the War Agricultural Executive Committee structure. These committees were able to push agricultural production in the direction of wartime needs. The corn acreage therefore, increased three-fold from 212,000 acres in 1939 to 667,000 acres in 1943; the cabbage acreage increased from 15,400 in 1939 to 82,000 in 1944 (Williams J, op cit Table Agri 1). The number of milk producers continued to increase from 18,600 in 1939 to 27,109 in 1945 (Ibid Table Agri 13). Most significant was the decline in the area of permanent grass. Between 1939 and 1943, 781,099 acres of permanent pasture were lost from the landscape of Wales while the tillage acreage increased by 593,081 acres (Annual Digest of Welsh Agricultural Statistics). This process was assisted by the provision of a Land Fertiliser Scheme between 1939 and 1944 and a Farm Drainage Scheme, available from 1940 onwards.

The poverty and depression of the inter-war years gave way to farming prosperity during World War Two. Agricultural prices increased steadily throughout the war years.

Table 4.1

Annual Index Numbers of Agricultural Prices  
(England and Wales) 1939-45  
 (Base 1927-9 = 100)

|        | 1939 | 1942 | 1943 | 1944 | 1945 |
|--------|------|------|------|------|------|
| Cattle | 97   | 137  | 141  | 144  | 148  |
| Sheep  | 76   | 120  | 124  | 129  | 137  |
| Milk   | 102  | 175  | 178  | 187  | 192  |

(Annual Digest of Welsh Agricultural Statistics)

While the exigencies of the war, and this wholesale intervention by the state, 'rescued' agriculture in Wales, the most important outcome of these developments was the post war commitment of the state to sustained and wide-ranging support for the industry. In the post-war world food shortage, increased agricultural output remained a high priority.

This was demonstrated initially by the 1944 Hill Farming Act ("the climate of sympathy which was held by the public at large for farmers was largely exemplified by this Act") (Donaldson et al 1969, p106). Although the headage payments introduced during the war had raised farmers' incomes they had not resulted in any marked investment in long term productivity (Martin M 1982, p121). The Hill Farming Act therefore continued the payment of hill livestock subsidies but also provided grants of up to 50% of the cost of farm improvements. The 1951 Livestock Rearing Act extended the 1946 Act further down the hill to areas which were "predominantly" mountain, hills and heath (Nelson 1984, p3). By 1953, 2,795 schemes had been formally approved under this legislation (Annual Digest of Welsh Agricultural Statistics).

The basic measure of support for Welsh farmers however lay in the 1947 Agriculture Act and the continuation of the wartime system of price guarantees. This ensured a rise in post-war agricultural prices.

Table 4.2

Annual Index of Agricultural Prices (England and Wales) 1947-53  
(Base 1928-9 = 100)

|        | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 |
|--------|------|------|------|------|------|------|------|
| Cattle | 183  | 201  | 210  | 214  | 231  | 255  | 269  |
| Sheep. | 180  | 202  | 208  | 216  | 224  | 247  | 251  |
| Milk   | 222  | 234  | 248  | 261  | 277  | 293  | 298  |

(Annual Digest of Welsh Agricultural Statistics)

With the continued guarantee of milk prices the number of registered milk producers steadily rose reaching a peak of 29,438 in 1950 (Williams J, op cit Table Agri 13) Herd size and output also increased. Between 1947 and 1953 total output of milk in Wales rose by 59,6 million gallons (Ibid Table Agri 13), an increase of 94%. Dairy farming was becoming of central importance to certain Welsh areas, most notably Carmarthenshire where 80% of all agricultural holdings over 5 acres were classified as milk producers (Annual Digest of Welsh Agricultural Statistics).

Under the post war regime cattle and sheep numbers also increased between 1947 and 1953: the former by approximately 120,000, the latter by over 1.6 million (Williams J, op cit Table Agri 3) increases of 13% and 56% respectively.

The most notable development in terms of farm structure was an increase in the number of holdings, particularly in the 1-5 acre category, from 6,533 in 1947 to 7,407 in 1953 (Ibid Table Agri 7)<sup>(5)</sup>.

The labour force however, continued to decline. Between 1947 and 1953 over 3,000 regular farm workers left the industry in Wales (Ibid Table Agri 9) a fall of 8%. This was paralleled by the increasing use of farm machinery. Between 1942 and 1952 the number of tractors increased from 6,710 to 30,240 an increase of 350%, and the number of milking machines in use rose from 1,753 to 9,652 during the same period, an increase of 450%.

Under the policies of the post-war Labour Government therefore the trends towards mechanisation and specialisation were given a considerable boost. 1953 however, marked a change in the emphasis of policy. The new

Conservative Government sought to close the open-ended nature of price guarantees and therefore introduced 'standard quantities' and eventually in 1957 gave itself room to reduce agricultural support prices, albeit within fairly narrow limits.

This move to limit state expenditure was paralleled by a concern with farm structure. The hope was that Exchequer liability could be decreased by helping the smaller, poorer farmer to become more "viable".

"The Government believe that the creation of stable conditions in the rural areas can be achieved only by encouraging the trend towards more stable and economic units and share the view ... that financial assistance should help forward this inevitable development" (The Government's Reply to the Mid-Wales Investigation Report Cmd, 9809 1956).

The 1957 Agriculture Act established the Farm Improvement Scheme which gave grants for land improvement and reclamation, paying 50% of the cost of such work. This measure was aimed specifically at hill and upland farms. By 1966 over 22,000 such schemes had been approved. Most of the £4 million paid out went on farm buildings and, to a lesser extent, on fencing, hedge removal and farm roads.

A further push in this direction came with the Small Farmer Scheme introduced in 1958. This also aimed at making small farms "viable" and gave two forms of assistance; a farm business grant, payable on the farmer submitting an approved farm business plan, and field husbandry grants, payable on field operations included in the plan. There was a combination of two tests for eligibility; an acreage test, restricting aid to those applicants with between 20 and 100 acres; furthermore, the business had to be judged capable of reaching 275 standard man days (SMDs) after completion

of the farm business plan. It was assumed therefore that farm businesses with not less than 250 SMDs were capable of achieving this (MAFF 1958). These tests effectively excluded part-time farmers from the scheme.

The purpose of these schemes was to effect a modernisation of Welsh agriculture, not just in the structure of the farms but in the practices and attitudes of individual farmers. They had to see their farms as modern businesses which therefore required the applications of modern financial techniques to ensure that the businesses were run "efficiently" (6). By the end of 1964, 8,370 farmers had submitted farm business plans resulting in the payment of nearly £6 million. A survey of farms entering the scheme by the NAAS in 1964 indicated that on average they have grown by about one-third (WO 1964). Between 1946 and 1966 Welsh farms received in total from these schemes over £50 million (WO 1967, p36).

The consequence of these policies was that small holdings declined. Between 1951 and 1960 holdings below the size of 100 acres all fell in number while those in the larger groups increased.

Table 4.3

| Size of Holding (Wales) | Percentage Change 1951-61 |
|-------------------------|---------------------------|
| Under 20 acres          | -14.7                     |
| 20 - 49.75 acres        | -7.5                      |
| 50 - 99.75 acres        | -0.3                      |
| 100 - 149.75 acres      | +0.3                      |
| 150 +                   | +20.1                     |

(Annual Digest of Welsh Agricultural Statistics)



The change of government in 1964 signalled no change in these structural policies.

"The Government ... propose to offer [small farms] help in three ways:

- (i) to enlarge their farms where they can get more land.
- (ii) to cooperate with others to get some of the benefits of farming and marketing on a bigger scale.
- (iii) to resettle or retire from farming where they want to give up an unrewarding struggle" (MAFF 1965).

The state therefore proposed to amalgamate farms where this resulted in a "commercial farm" ie, one capable of providing full-time occupations for a farmer employing one worker (or at least 6000 SMDs) (Ibid). Rural Development Boards would also be established to undertake this task and to provide some coordination of the various economic activities in the hill areas.

In 1965 the Small Farm (Business Management) Scheme was introduced enabling small farms to carry out approved management schemes, over a period of three years, yielding a grant of up to £1,000. The Scheme was limited to holdings of between 20 and 125 acres, with labour requirements of between 250 and 600 SMDs. By 1973, 1,629 such schemes had been approved with over £1 million paid (Annual Digest of Welsh Agricultural Statistics).

A similar measure was the Farm Business Recording Scheme introduced in 1969. By 1973 it had received some 2,000 applications yielding £293,000 in grant (Ibid).

A host of production grants were also introduced with broadly the same aim, the 'modernisation' of Welsh agriculture. Under the 1967 Agriculture Act a

Farm Improvement Scheme was introduced. By 1973, 20,000 applications had been approved and over £5 million had been paid. A further measure the Hill Land Improvement Scheme had also by 1973, paid out £5 million for nearly 14,000 applications (Annual Digest of Welsh Agricultural Statistics).

The powers of direct intervention in the land market contained in the proposals for Rural Development Boards were not realised as the scheme was dropped by the Conservative government in 1970 (see below Chapter 7). Nevertheless, the policies discussed above hastened the trend to larger farm units.

Table 4.4

Percentage Changes in the Numbers of Agricultural Holding  
by Size Groups 1960-70 (Wales)

| Size of Holding    | Percentage |
|--------------------|------------|
| Under 20 acres     | -56.3*     |
| 20 - 49.75 acres   | -29.1      |
| 50 - 99.75 acres   | -14.7      |
| 100 - 149.75 acres | - 1.9      |
| 150+               | +20.5      |

\* Note : Following a large scale review in 1967/68 about 6,400 holdings with a negligible agricultural output were deleted from the census (Annual Digest of Welsh Agricultural Statistics).

It was the smallest holdings which experienced the highest level of amalgamation. Aitchison's study of the changing structure of agricultural holdings between 1964 and 1974 showed that it was the hill areas of north

and mid Wales which experienced the fastest growth in farm size; holdings here increasing on average by more than 42 acres (Aitchison 1979, p35).

"Districts with imbalanced and highly variable distribution of holding sizes, dominated by a preponderance of relatively small farms tended to experience more rapid expansion in media farm acreages than those in which some semblance of structural equilibrium would appear to have been reached" (Ibid, p37).

This exodus of small farmers from the Welsh landscape was matched by the continuing decline in the agricultural labour force. Between 1955 and 1970 this group fell by over 50% from 31,062 to 13,546 (Williams J, op cit Table Agri 9): By 1970 90% of holdings had no full-time agricultural worker.

State policies explicitly aimed to improve the farm structure so that those producers who remained on the land could earn a reasonable income. This resulted in a decline in the number of holdings, particularly those in the smallest size categories on the poorest land. The largest farms, on the other hand, were able to take full advantage of both the price subsidies (the larger the output the larger the subsidy) and the structural measures, particularly where these called for an initial capital outlay by the applicant so that the equivalent in state support could be claimed. These farmers, therefore, moved from strength to strength while the smaller producers found their initial disadvantages compounded by the system of state support.

The ultimate aim of these policies was ostensibly to lessen the small farmer's dependence on state support. On this count they failed. By the end of the period state grants and subsidies accounted for the majority of average net farm income on the smallest units (WF Oct 1973).

Table 4.5

Subsidies and Grants as a Percentage of Net Farm Income in Wales  
- Mixed Farms (Poor Land) 1966-67

| Gross Output    | Grants and Subsidies as<br>a Percentage of NFI |
|-----------------|--|
| Up to £2,999    | 71   |
| £3,000 - £4,999 | 56   |
| £5,000 +        | 45   |

(Griffiths 1967)

Farm modernisation had the effect of increasing input prices. Between 1947/8 and 1968/9 expenditure on rent, machinery and fertilisers in Wales increased threefold, while expenditure on feedingstuffs rose approximately twelve times reaching, by the end of the period, 40% of input expenditure (Inman 1978, p116). This increased input expenditure reflected Welsh agriculture's incorporation into wider national and international markets. In order to compete in these markets output had to be increased, unit costs reduced. The largest farms were better placed to achieve the productivity gains necessary; the smallest farms struggled to remain viable.

This made specialisation all the more necessary. Although pastoral activities had long dominated the Welsh agricultural landscape Aitchison shows that between 1964 and 1974 their position of prominence became even more pronounced. By 1974 dairying, the rearing and fattening of cattle and sheep production claimed 91% of total standard labour requirements (Aitchison 1980, p49). In the same year 30% of all full-time holdings were engaged in the rearing and fattening of both cattle and sheep with just under 30% engaged in specialist dairying (Ibid, p59). South west Wales, and to a lesser extent the north east, contained the bulk of the dairy

herd, while beef production dominated in the eastern counties. Central Wales held the majority of breeding ewes. The old specialisms had simply been reinforced.

Specialisation led inevitably to concentration. In the milk sector the number of registered milk producers fell by nearly 10,000 between 1960-70 while in the same period the number of dairy cows increased by 88,037. In 1969 the number of dairy cows per registered producer was, on average 21.2 compared with 13.5 in 1959. an increase of 57% (Bateman et al 1971, p20). In 1955 63% of all dairy cows could be found in herds of up to 20 cows. By 1970, this proportion had been reduced to 26%. In contrast, the number of dairy cows in herds of over 50 which in 1955 had been 4% of all dairy cows, increased to 24% in 1970 (Dyfi Jones and Sherwood A 1978, pp12-14). The sales of milk off farms consequently increased by 50% (Williams J, op cit Table Agri 13).

Likewise the ewe breeding herd increased by one million between 1955 and 1973, a 50% increase. In 1969 51% of all holdings in Wales contained some form of sheep enterprise and in the same year the Hill Sheep Subsidy was paid to over half the breeding ewes in rural Wales. The traditional store stock system of production had undergone some degree of transformation with the emphasis shifting to producing fat lambs for sale of grass. In 1969. 11% of total farm revenue in Wales was accounted for by sheep and wool (Bateman et al, op cit p23). Cattle numbers also increased by 50% between 1955 and 1973 partly in response to the incentive provided by the Fatstock Guarantee Scheme.

Such increases in production further locked Welsh agriculture into the national and international food markets. In 1976 only 33% of Welsh output of milk and milk products were consumed in Wales the rest was exported to England (Welsh Council 1977). Furthermore, the amount of Welsh milk input going for manufacture rather than the liquid market had risen steadily throughout the period. With the liquid market gently declining Welsh milk producers became increasingly reliant on manufactured uses for their product.

Table 4.6

Utilisation of Milk (Million Gallons)

|             | 1948   | 1966   | 1972   |
|-------------|--------|--------|--------|
| Liquid      | 129.14 | 144.14 | 84.33  |
| Manufacture | 25.76  | 112.18 | 213.50 |

(Annual Digest of Welsh Agricultural Statistics)

Out of the total numbers of finished lambs sold in 1976, one million of the 1.75 millions sold were "exported" to England while 42% of beef cattle were marketed outside Wales (Welsh Council op cit).

By the end of this period, then, farm sizes in Wales had increased and averaged 26 acres in 1974. Between 1939 and 1972 the number of holdings had fallen by 44% (Williams J, op cit Table Agri 7). By 1970 63.7% of farms were owned by the occupier accounting for 61.7% of the farmed area (Ibid Table Agri 8). Between 1939 and 1972 the number of farm workers in Wales had fallen by 160% (Ibid Table Agri 9). The use of machinery had increased substantially, tractors for instance had increased from 12,827 in 1946 to 43,150 in 1972 (Ibid Table Agri 12) a rise of 236%.

Although the state had pursued a policy of 'rationalisation' throughout the whole post-war period, by 1974 the number of part-time holdings still accounted for 48% of the total, but only 17% of the total farmed area (Aitchison 1979, p37). In that year 32% of farmers operated part-time farms although 63% of those did so on a full-time basis (Ibid p40).

### Agriculture in the Post War Rural Economy

Clearly there was still a large proportion of part-time operators relying on income sources outside agriculture. The range of these possible sources had also undergone significant transformation during this period, leading to the perception of Wales as a 'problem region'. The decline in the number of farm workers and farm operators and the lack of alternative employment opportunities raised the spectre of 'depopulation'.

This was treated ambiguously by the state. In 1957 for instance, the Rural Wales Committee commented: "changes in agricultural employment have profound and depressing effects visibly draining away young people from the countryside" (HMSO, Cmd, 319 1957). On the other hand, the Minister for Welsh Affairs argued

"... more food with less labour. This is something to be proud of - increased efficiency leading to the production of more food with less labour. It is no good calling this the drift from the land. It is increased efficiency in agriculture" (House of Commons, Welsh Grand Committee, 30 May 1962).

The rate of depopulation however ensured that the problem could not be ignored, particularly in areas such as mid Wales which between 1871 and

1961 had lost 63,000 people, 23% of its population. 3.4% of this figure left between 1951 and 1961 (Mountfield and Watts 1968, p168).

In the early 1960's a committee of inquiry into the problem was established under the chairmanship of Arthur Beacham. Their report, published in 1964 profoundly influenced the way 'depopulation' was subsequently perceived. It proposed two main means of attacking the problem; firstly the restructuring of the settlement pattern from the thinly spread agricultural pattern to a more nucleated settlement structure; secondly, the expansion of the economic base through the introduction of manufacturing industry into the area (Law and Perdakis 1978, p529).

This report effectively defined the causes of depopulation and pointed the finger firmly at the area itself, at indigenous factors. Agricultural policy was not identified as part of the problem and the farm modernisation strategy was not questioned. In fact the measures taken in the wake of the Beacham Report - the decision to establish a new town and the provision of advance factories (discussed more fully below, in Chapter 7) - would further the modernisation of agriculture. The provision of alternative employment opportunities would

"assist towards securing a quicker and easier transition to a more economic system of agriculture, with larger farms and increased mechanisation and productivity ... Dependence on the Exchequer could be gradually reduced" (WO 1967, p112).

By the time the Beacham proposals were implemented local and central state intervention (through the activities of the Mid Wales Industrial Development Association and the Development Commission) within the context of the "urban-rural shift" (see Fothergill and Gudgin 1979) ensured that



manufacturing employment in rural Wales rose by 61% between 1954 and 1969 (Welsh Council 1971). Part of this was accounted for by the siting of large construction projects in the area (such as oil refineries at Milford Haven, the RTZ smelter at Holyhead and two nuclear power stations at Trawsfynedd and Wylfa). The rest was attributed to the growth of timber, furniture, clothing and footwear manufacturing in the area (Ibid).

Although little attempt was made to integrate such developments with the existing economic structure of the region, the provision of alternative employment opportunities doubtless enabled some part-time farmers to stay on the land. A more integrated approach might have further arrested the drift from the land but would have entailed a fundamental examination of agricultural policy and its role in the region. The debate around depopulation however, left agricultural policy untouched. Thus the Secretary of State for Wales, Cledwyn Hughes, could still argue in 1968

"the decline in the number of farms and hence the number of farming families has been going on for many years, and we must recognise that before we can put a stop to the movement out of mid Wales ... the economic base of the area must be sound. This is quite impossible with the present farm structure and if we are to raise the standard of living generally in mid Wales we must have an increased proportion of economic farms" (House of Commons, Welsh Grand Committee, 3 April 1968).

Yet this preoccupation with farm structure may have been misplaced. By 1971, 80% of farmland in Wales was in the hands of full-time occupiers. The other 20% was divided amongst 21,000 holdings, 54% of the total (Welsh Council 1971). The drive to establish all holdings on a full-time basis meant the further loss of people from the land. A greater effort to integrate these small part-time holdings into the wider economic structure

of the region could have been more beneficial to the economic and social fabric of the rural communities.

However the MAFF had no policy on part-time farming other than seeking to eliminate it. Furthermore, the strong institutional separation of agriculture from the other economic agencies of the state meant that agricultural policy could not be meshed with wider economic and social policies (7). Therefore the measures that were taken by the development agencies in mid Wales had to be built around the forward march of agricultural policy, the drive towards larger 'rationalised', 'modern', 'economic' farm units.

While the objective of state policies during the post war period had been to place Welsh agriculture on a "sound" economic footing, the industry was, in actuality, in a vulnerable position upon the UK's entry to the EEC. Specialisation, intensification and capitalisation, - the desired aims of post war agricultural policy - meant that in the face of market realignments and shifts in state support Welsh agriculture found itself with little room for manoeuvre.

### Section 3 : Wales and the Common Agricultural Policy

In Chapter Two, we saw that the adoption of the CAP in the 1970's did little to change the fundamental nature of agricultural policy in the UK. Price support remained at the core while structural measures were 'tagged on' to give the policy some semblance of equity.

However, the agricultural market around which policy decisions were taken now embraced nine nations and this had crucial implications for the future direction of policy. Furthermore, key political decisions were no longer taken nationally, but by the Council of Ministers and the European Commission. Policy would therefore reflect European rather than British concerns.

For Welsh farmers, now largely dependent on three main sectors; milk, beef and sheep, the economic conditions and policy arrangements for these commodities were vitally important. In what follows we will examine each of these sectors and the effect of the transition to the CAP on Welsh producers. We will also survey the various structural measures available under the policy as these were of particular significance in Wales.

#### (i) The Milk Sector

With milk production accounting for 40% of the value of Welsh agricultural output, and with 50% of beef production coming from the

dairy herd, the milk sector was clearly of fundamental importance to the agricultural industry in Wales. This was particularly true of areas such as Dyfed which had 65% of its agricultural holdings in the milk sector (Welsh Agricultural Statistics).

For these producers the most important change wrought by the entrance to Europe was that they were no longer producing for an under-supplied (domestic) market but for one which was in acute structural surplus. In the late 1970's between 10 and 15% of EC milk production could not be sold on the normal market (Green Europe (166) 1981).

Nevertheless, by the end of the transition period for UK membership, milk supplies had continued to increase in Wales. Between 1978 and 1985 Welsh milk production increased even faster than in England: by 15% compared to 5% (House of Commons, Committee for Welsh Affairs 1984, MMB Memorandum). Cow numbers in Wales increased by 8% during the same period compared to just 1% in England (Ibid). Average herd size increased from 39.6 to 46.7 between 1980 and 1984 (Welsh Agricultural Statistics).

The measures taken by the Council of Ministers in the late 1970's and early 1980's (described in Chapter Two), had little effect therefore on levels of production in Wales. In fact during the early 1980's the outflow of producers from the Welsh dairy sector was low, numbers falling by only 303 between 1980 and 1983 (Ibid). The provision of guaranteed markets and prices, together with various measures giving support towards capital expenditure enabled many producers to expand

production. Between 1981/82 and 1984/85 Welsh dairy farmers collected £8.6 million in capital grants (Ibid).

There is some evidence that the provision of this grant aid led to an over-capitalisation on Welsh dairy farms. The average size of herd with a herring-bone milking parlour in Wales was 85 in 1984, compared with 116 in England. The optimum was regarded as somewhere near the latter figure (House of Commons, Committee for Welsh Affairs, op cit MMB Memorandum).

The expansion of milk production in Wales was only effectively halted by the imposition of milk quotas in April 1984.

The basic features of the milk quota scheme were discussed in Chapter Two. Here we will focus on those aspects of the scheme which were of particular concern to Wales.

Firstly, the decision to take 1981 as the base year introduced certain complications for Welsh producers given the speed at which they had been expanding. The provision in EEC Regulation 857/84 to treat producers following a plan of expansion as special cases meant there was likely to be a large number of these in the region. About 1.25% of the total quota was to be used to assist such hardship cases and this was to be aimed specifically at those farmers who produced less than 200,000 litres annually, or who had around 40 cows. With 70% of the Welsh dairy herd in units of under 50 cows (Ibid para 3) this scheme would be of some benefit to Wales.

The quota system was applied by the British government as a uniform percentage cut to all producers, rather than, as applied in Germany, as a graduated measure concentrating the bulk of the cut back on the largest producers thus giving more protection to the smaller units (Harvey D 1985, p26).

Table 4,7

Distribution of Quota by Size of Business (England and Wales) 1984-87

| Size of Output During Year (Litres) | 1984/85       |           |                   | 1985/86       |                 |                   | 1986/87       |                 |                   |
|-------------------------------------|---------------|-----------|-------------------|---------------|-----------------|-------------------|---------------|-----------------|-------------------|
|                                     | %of Producers | %of Quota | %over under Quota | %of Producers | %of total Quota | %over under Quota | %of Producers | %of total Quota | %over under Quota |
| Quota Holder only                   | 0.4           | 0.2       | 0.0               | 1.0           | 0.3             | 0.0               | 1.1           | 0.2             | 0.0               |
| Less than 200,000                   | 40.4          | 14.6      | -7.8              | 37.5          | 14.0            | -11.9             | 35.9          | 12.3            | -6.7              |
| 200,000 - 299,999                   | 18.5          | 14.0      | -2.5              | 18.8          | 13.5            | +0.5              | 18.9          | 13.1            | +1.1              |
| 300,000 - 499,999                   | 22.0          | 25.7      | -1.0              | 22.6          | 25.1            | +2.4              | 22.6          | 24.5            | +2.3              |
| 500,000 - 749,000                   | 11.8          | 21.3      | -0.3              | 12.4          | 21.3            | +2.8              | 13.0          | 21.8            | +2.3              |
| 750,000 - 999,999                   | 3.7           | 9.3       | +0.1              | 4.2           | 10.2            | +3.0              | 4.5           | 10.9            | +2.3              |
| One million & over                  | 3.2           | 14.8      | +0.3              | 3.5           | 15.6            | +2.9              | 4.0           | 17.2            | +1.6              |
| All Producers                       | 100.0         | 100.0     | -1.9              | 100.0         | 100.0           | +0.1              | 100.0         | 100.0           | +0.7              |
| Total Number                        | 38177         | 12730     |                   | 37278         | 12717           |                   | 36200         | 12714           |                   |

(MMB 1987)

The above table shows the distribution of quotas in England and Wales between 1984 and 1987. The smallest producers (less than 200,000 litres), who accounted for 40% of the total were allocated 14.6% of

the total quota. The larger size group of 500,000-749,999 litre producers, who accounted for only 11.8% of the total, were allocated 21.3% of the total quota. This highlights the ironic fact that the larger producers, who contributed most to the surplus got disproportionately more in terms of quotas.

This initial allocation was steadily reinforced as the system continued in operation. As the above table shows, the percentage of quota held by the three smallest producer groups declined while that held by the three largest groups increased. Furthermore, those producing consistently under quota were in the smallest group while those over producing were in the largest groups. This represented a shift of productive capacity from the smallest to the largest producers.

Therefore, Wales, with a preponderance of small producers had its position frozen with the introduction of quotas. This is not to argue that all Welsh dairy farmers were disadvantaged by the system but that, on the whole, the inequalities in the patterns of milk production were reinforced by the introduction of quotas. Many Welsh producers, having been incited to specialise, invest and expand, were brought to a standstill at a point where they could not capitalise on the quota system.

A feature of the quota system which caused initial concern in Wales was the possible transfer of quotas between regions. Article 7 of EEC Regulation 857/84 provided that when an "undertaking" was sold or leased the quota could be transferred with it. Article 8 allowed

that under the Formula B system, the purchasers of milk could reallocate quotas between units. In the UK this was interpreted as allowing temporary quota leasing deals between producers (MMB, op cit p9).

Table 4.8

Quota Transfers by Region 1986/87

| MMB Region      | <u>Litres Transferred (millitres)</u> |               |               | <u>Net Gain/Loss</u> |              |
|-----------------|---------------------------------------|---------------|---------------|----------------------|--------------|
|                 | Into Region                           | Within Region | Out of Region | ml                   | (% of quota) |
| Northern        | 7                                     | 57            | 12            | -5                   | (0,3)        |
| North Western   | 26                                    | 102           | 13            | +13                  | (0,5)        |
| Eastern         | 2                                     | 9             | 4             | -2                   | (0,5)        |
| East Midlands   | 9                                     | 16            | 7             | +2                   | (0,4)        |
| West Midlands   | 19                                    | 47            | 11            | +8                   | (0,6)        |
| North Wales     | 6                                     | 10            | 5             | +1                   | (0,1)        |
| South Wales     | 3                                     | 38            | 20            | -17                  | (1,7)        |
| Southern        | 9                                     | 26            | 8             | +1                   | (0,2)        |
| Mid Western     | 18                                    | 83            | 17            | +1                   | (0,1)        |
| Far Western     | 10                                    | 66            | 7             | +3                   | (0,2)        |
| South Eastern   | 7                                     | 29            | 12            | -5                   | (0,8)        |
| England & Wales | 116                                   | 483           | 116           |                      |              |

(Ibid Appendix 4)

The above table shows the transfer of quotas between regions. The region showing the largest net loss was South Wales with 20 million litres leaving the region.

How far this was compounded by the effects of the Outgoers Scheme is unclear. This scheme aimed to buy up 2.25% of quotas in England and Wales. It only applied to farmers giving up milk production



altogether and was initially limited to producers with an output of less than 200,000 litres (in the wake of little response from these producers the scheme was opened up to those producing up to 785,000 litres). Linked to this measure was a commitment by the UK government to increase the basic quota for these farmers producing less than 200,000 litres to bring them back to their 1983 production level (Harvey, op cit p30). By June 1986, 225 Welsh producers had ceased production under the scheme, releasing 25.8 million litres (an average of just over 100,000 litres per producer) (Hansard, June 30 1986, Vol 100, Col 409 written). In the absence of figures on the redistribution of this released quota it is not possible to say how much was lost from the Welsh dairy sector.

The House of Lords Select Committee for the European Communities expressed concern about this scheme. Firstly, by altering the amount of quota in the region it might affect the throughput and therefore, the viability of any milk processing and distribution facilities in the region. Secondly, a disproportionate share of the uptake of the scheme in an already disadvantaged area could threaten the viability of rural communities (1986, para 4).

The combined effects of the alleviation of quota and the Outgoers Scheme on Welsh dairy processing soon became apparent. The Farmers Weekly in February 1987 carried the headline "Dyfed: a county in crisis", asserting that the round of production curbs agreed by the Council of Ministers in December 1986 would put about 8%, or 3,854 producers in Dyfed out of business and would threaten the future of the Dairy Crest creamery at Felinfach (FW, February 27 1987). This

latter prediction turned out to be accurate: the creamery was closed in the spring of 1988 with the loss of 120 jobs.

The number of producers fell between 1986 and 1987; by 66 in North Wales and by 99 in South Wales (Welsh Agricultural Statistics). This was by no means the sharp fall that some commentators had predicted but was nevertheless a steady decline.

Part of the reason for this lay in the improved income position of dairy farms by 1987. After a sharp decline in 1984/85 when quotas were introduced, those remaining in the milk sector saw their incomes stabilise by 1986/87.

Indices of Net Farm Income at Current Prices  
(1982/83 = 100)

|                | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 |
|----------------|---------|---------|---------|---------|---------|
| Welsh Dairying | 100     | 85      | 61      | 93      | 100     |

(WO 1988)

Nevertheless, the effects of the quota regime on the region may yet be serious. According to one estimate their introduction could lead to the loss of approximately 1,700 jobs in agriculture and directly related industries in Wales, with a loss of income to the region of £13 million (Midmore P, 1987).

Current attempts by the MAFF/WOAD to introduce a system of quota transfer which effectively separates quota from land could lead to further loss of milk production from the region. Were a "free market" in quotas to be introduced the largest producers would be in

a strong position from which to enlarge their share of the total quota. Small Welsh producers, already facing a crisis of indebtedness (in Wales interest payments accounted for 18% of net product in 1985 compared with 7% in 1977 - WO 1986, p10) would find it increasingly difficult to purchase quotas and may even be tempted to sell in order to pay off existing debts.

The introduction of quotas marked the end of the expansion of the Welsh dairy industry, an expansion which had continued from the establishment of the MMB in 1933. The manner of its termination came as a considerable shock to the industry.

A rigid system of controls was erected over the sector effectively freezing small Welsh producers into a subordinate and precarious position, while consolidating the strong position of the larger producers. Having long since abandoned the practice of mixed farming Welsh dairy farmers, in this new, harsh climate, found very few alternatives open to them.

#### (ii) The Beef Sector

As with milk, the UK's entry to the EEC coincided with the onset of permanent structural surpluses in the beef market.

Table 4.9

The Nine EEC Countries : Beef Self Sufficiency

|      |       |      |       |
|------|-------|------|-------|
| 1974 | 100.2 | 1978 | 95.4  |
| 1975 | 101.8 | 1979 | 100.1 |
| 1976 | 99.0  | 1980 | 104.9 |
| 1977 | 96.1  | 1981 | 106.0 |

(House of Lords, Select Committee of the European Communities 1983, para 15).

The share of beef market expenditure under the Community budget consequently rose from 6.8% in 1977 to 14.1% in 1984 (House of Commons, Committee for Welsh Affairs 1986., para 9).

The EC beef market was supported previously through import levies, export refunds and internal measures such as intervention whereby excess beef was taken off the market, placed in cold storage and released at times of under-supply. The UK government's attitude to intervention was initially hostile (cold storage damages quality beef) and it was reluctant to use this method of support. It therefore negotiated the introduction of the Beef Variable Premium Scheme (BVPS). This constituted a payment made to producers when the average market price for certified cattle fell below the target price. It was modelled on the old deficiency payments system and contained the same advantages as that means of support: the price to the consumer was effectively reduced by the amount of the premium. The UK was the only member state utilising such a scheme. It was introduced in 1976 on a temporary basis and was renegotiated each year as part of the farm price review. The total cost of the BVPS increased rapidly after its introduction, especially after 1980, rising from £42 million in 1981/82 to £322 million in 1985/86 (House

of Commons, Committee for Welsh Affairs 1986, Appendix One). Consequently, the Commission recently proposed to phase the scheme out. Were this to happen intervention would become the main mechanism of support. For Wales, the intervention system would not be ideal. The region has only two abattoirs, in Cardiff and St Asaph, which would be of the necessary standard for licensing export meat and intervention slaughtering. The bulk of Welsh intervention stocks therefore would have to be 'exported' to England.

The BVPS was worth £4.95 million to Wales in 1985/86 (Ibid para 11). There is widespread support amongst beef producers in Wales for this scheme rather than intervention mainly because the support is more direct and readily identifiable and is tailored more towards the small farmer than the intervention system (Ibid Memorandum from the FUW).

In 1980 a Suckler Cow Premium Scheme was introduced throughout the EEC designed primarily to supplement the revenues of beef producers who did not also produce milk. Farmers claiming the premium had to undertake not to sell milk or milk products for twelve months from the date of application. This payment was a useful source of additional income for quality beef producers. In 1985/86 the Suckler Cow Premium was worth £3.5 million to Welsh producers (Welsh Agricultural Statistics).

These two main planks of state support for beef production were supplemented to a considerable degree by the Hill Livestock Compensatory Amounts, payable under the 1975 Less Favoured Areas

Directive (discussed below). From this measure, Welsh beef producers were able to claim £37.8 million between 1981 and 1986 (Ibid). This means of support was the difference between 'viability' and 'non-viability' for many producers in the Less Favoured Areas.

About 11,000 holdings in Wales kept over 171,000 beef cows in 1986. About half of these kept beef herds of less than 10 cows, while 5.3% kept herds larger than 50 cows accounting for 12.5% and 24.6% respectively of the total Welsh herd. This was sub-regionally dispersed in the main among three Welsh counties, with Powys accounting for 39% of the total, Dyfed 22% and Gwynedd 17% (Ibid). Powys therefore, gained the highest proportion of state support for the industry : 44% in 1985/86 (Ibid).

Despite these levels of assistance beef cattle numbers continuously declined in Wales. Between 1982 and 1986 the total beef herd fell by 11,367.

Part of the reason for this trend was the high levels of support and profitability enjoyed by the sheep sector after the introduction of the sheepmeat regime in 1980. The balance between beef and sheep in the hills seemed to be tipping decisively in favour of the latter.

### (iii) The Sheep Sector

The situation in the sheepmeat sector differed in key respects from that of milk and beef. Sheepmeat represented less than 3% of total community meat production. Furthermore the level of self sufficiency

within the EC was the lowest of all the main agricultural commodities, standing at 74% in 1983 (Green Europe, April 1985). Sheepmeat accounted for only 4% of total meat consumption in the Community (Green Europe, May 1984).

The UK was by far the largest sheepmeat producer in the Community. In 1978 it accounted for 40% of total EEC sheep numbers and 37% of total output (House of Lords, Select Committee for the European Communities, 1984, para 8). Within the UK, the Welsh breeding flock accounted for 25% of the national total (and nearly 10% of the entire EC flock) (Ibid, MAFF Memorandum Annex C). Within Wales sheepmeat constituted around 17% of total Welsh agricultural output. 80% of the breeding flock was found in the hill and upland areas (Ibid).

Because of the low levels of sheep output in the other EEC countries no support regime was in existence upon the UK's entry to Europe. The British government pressed for the establishment of some means of support for the sector and in 1980 a regime was introduced.

The basic measure under this system was the 'annual ewe premium'. This worked as follows: a 'reference price' for the season was set annually by the Council of Ministers. The premium was based on the difference between the regionally adjusted reference price (the UK constituted a 'region') and market prices. This difference ('loss of income') was multiplied by the tonnage of meat produced in the region during the year. This amount was then divided by the number of ewes recorded in the region and resulted in the estimated amount of premium payable per acre (Green Europe, May 1984). In 1985/86 Welsh

sheep producers received £32.14 million under this scheme (36% of which went to Powys) (Welsh Agricultural Statistics).

Further support was made available either through the intervention system or alternatively through the Variable Premium Scheme. The UK adopted the latter, being the only member-state to do so. This was similar to the old deficiency payments scheme. The basic support price for the season was converted into weekly guide prices (set at a level of 85% of the basic price). If the average market price for a particular week fell below the guide price a payment equal to the difference was paid on each eligible lamb.

Table 4.10

Fat Sheep Prices - Wales 1980-87

| Year    | Average Market Price<br>(Pence per KG) | Average Premium Payment<br>(Per KG %) |
|---------|--|---------------------------------------|
| 1980/81 | 125.88                                 | 36.95                                 |
| 1981/82 | 155.48                                 | 34.19                                 |
| 1982/83 | 145.88                                 | 65.85                                 |
| 1983/84 | 143.48                                 | 77.38                                 |
| 1984/85 | 167.34                                 | 51.26                                 |
| 1985/86 | 169.86                                 | 49.93                                 |
| 1986/87 | 170.18                                 | 55.23                                 |

(Welsh Agricultural Statistics)

As the above table shows prices rose steadily between 1980 and 1987 in Wales and so significantly did the percentage of premium in the payments.



Table 4.11

Payments to Welsh Producers under Sheep variable Premium Scheme

| Marketing Year | £ Million |
|----------------|-----------|
| 1980-81        | 7.5       |
| 1981-82        | 12.6      |
| 1982-83        | 25.0      |
| 1983-84        | 30.3      |
| 1984-85        | 21.4      |
| 1985-86        | 21.0      |
| 1986-87        | 22.8      |

(Hansard 10 July 1987, Vol 119, Cols 290-291 Written)

As a consequence of this support, Welsh sheep numbers rose steadily. Between 1980 and 1986 the Welsh breeding flock increased from 3.89 million to 4.56 million, an increase of 17% (Welsh Agricultural Statistics).

This was hardly surprising especially when HLCA payments (see below) are taken into account. Between 1981 and 1986, £110 million in headage payments was claimed by Welsh sheep producers (Ibid).

By 1986 over 16,500 holdings kept sheep in Wales. 37% had flocks of less than 100 ewes while 16% kept flocks in excess of 500. These flock size groups accounted for 5.8% and 52.9% respectively of the total Welsh Flock (Ibid).

This group of large scale producers were in a highly favourable position under these schemes. They could produce for the market with a guarantee of prices no lower than 85% of the basic price, with roughly 50% of the return provided by the variable premium. Furthermore, those situated in the Less Favoured Areas could claim

headage payments on each breeding ewe - the more ewes the more headage payments. These producers were caught in a 'virtuous circle' whereby increased profits from the marketplace led to increased flock size and therefore increased headage payments.

The mounting costs of the sheepmeat regime led to moves by the European Commission to have the Variable Premium Scheme phased out and merged with the Annual Ewe Premium. At the time of writing, this was unresolved but was opposed by Welsh farming interests. While it is difficult to distinguish the true value of this scheme to Welsh producers over an integrated ewe premium, as with the Beef Variable Premium Scheme, farmers could readily perceive the levels of support coming through into their cash flow, unlike the intervention system which indirectly kept prices high.

(iv) Wales and Structural Policy in the EEC

As we saw earlier the structural measures taken by the British state prior to 1973 were aimed at 'modernising' and 'rationalising' the farm structure and at changing farming priorities and attitudes - making farmers "businessmen".

Under the EEC this emphasis was reinforced. The early structural measures of the CAP basically aimed "at the development of modern farms which are capable, through the adoption of rational methods of production, of assuring a fair income and satisfactory working

conditions for persons engaged thereon" (Commission of the European Communities 1980, p34).

These early measures included the 1972 Directives 72/159/EEC and 72/160/EEC. The former concerned the modernisation of farms and facilitated the payment of grants and low interest loans to achieve that end. The latter measure introduced farmer retirement payments (the 'outgoers scheme') and the "reallocation of utilised agricultural area" (UAA) for the purpose of structural improvement (Green Europe 1982, p7). This Directive had "minimal" impact (Commission for the European Communities 1985, p83) and by 1981 only 236 applicants had taken advantage of the amalgamation scheme in Wales (Welsh Agricultural Statistics Supplement).

The next major scheme under the structural policy came with the 1975 Directive on Less Favoured Areas (75/268/EEC). This Directive recognised that farmers in mountain and hill areas could not expect the same yields and, therefore, incomes, as farmers in more "favoured" areas. Consequently an allowance was made payable to them to compensate for these natural handicaps.

Under this Directive Wales was judged to have 967,000 hectares, or 57% of its total agricultural area eligible for Less Favoured Areas (LFA) status. In 1984 an extension to this was agreed by the Council of Ministers adding a further 23% of the Welsh agricultural area. This new area however was accorded immediate status ("marginal land") and received rates of support about half that to the original LFA (WO Press Release, March 2 1984).

Given that the aim of the scheme was to compensate farmers in disadvantaged areas for the hardships they faced in the course of their farming operations, the most straightforward means of support would have been through a direct income supplement. However, to render the package politically acceptable aid was provided through a system of headage payments (Haines 1987, p6).

In the UK the payments, known as Hill Livestock Compensating Amounts (HLCA), came into operation on January 1 1976, replacing the Hill Sheep Subsidy and the Hill Cows Subsidy. This constituted 90% of expenditure under the Directive (Bryden 1982, p42).

Although the Directive laid out the broad parameters of the kinds of support that could be given, national governments had an extensive amount of leeway in implementing its provisions. The UK government used the Directive to extend its previous headage payment system. However, goats, dairy cows and young stock were excluded from eligibility. The government also differentiated between hill sheep and upland sheep (payment for the latter being some £2 per head less).

The most significant aspect of the UK governments implementation of the Directive however, lay in the lack of any upper limits on the numbers of livestock eligible for HLCA's. In other EEC countries such as France, limits were imposed at around 30 or 40 livestock units (1 livestock unit equalled one cow or 0.15 sheep). Thus

"a small farmer (with say five cows, five calves and twenty sheep) located in the most difficult agricultural area, would, from the point of view of compensatory allowances, be

better off in almost any country other than Britain, whilst the larger farmer (with say, over twenty cows, twenty calves and three hundred sheep) would in every case be better off in Britain" (Arkleton Trust 1982, p15).

The British government's approach to the Directive also differed from most other EEC countries in that no regional variation was recognised within the LFA's: all farms over three hectares were eligible whatever the quality of the land, degree of handicap or size of holding. The creation of an inter-mediate zone such as the "marginal land" category in Wales merely bridged the LFA/non-LFA divide.

Welsh LFA farmers benefitted enormously from HLCA payments. Between 1981 and 1986 they received in total nearly £150 million (Welsh Agricultural Statistics). As with the beef and sheep regime this support was sub-regionally concentrated. Powys accounted for 45% of the approved cattle payments, while 17.7% and 17.8% went to Gwynedd and Dyfed respectively. For sheep, 39.1% went to Powys, 21.5% to Gwynedd and 17.8% to Dyfed (Ibid).

In 1980/81, HLCA payments accounted for 92% of average farm income in the LFAs (Dixon 1984, p40). In 1983/84 it was estimated that HLCA's constituted 80% of net farm income on LFA cattle and sheep units and over 100% on LFA sheep farms (WF, August/September 1986).

Table 4.12

Indices of Net Farm Income at Current Prices - Wales (1977-87)  
(1982/83 = 100)

## Hill and Upland LFA Livestock Farms

|         |     |         |     |
|---------|-----|---------|-----|
| 1977/78 | 73  | 1982/83 | 100 |
| 1978/79 | 90  | 1983/84 | 111 |
| 1979/80 | 47  | 1984/85 | 135 |
| 1980/81 | 74  | 1985/86 | 118 |
| 1981/82 | 122 | 1986/87 | 120 |

(WO Farm Accounts in Wales 1987)

The improving income position of LFA producers shown above could be attributed almost entirely to the combined effects of the sheepmeat schemes and HLCA's.

However, these figures disguise the extent to which the largest farms captured the lion's share of the total. Because payments were made on a flat rate basis, with no upper limits, those farms with the largest numbers of livestock took most of the HLCA payments. Of the 20,500 farms in the UK LFA's in 1981/82 the 11,000 smallest (those with less than 50 livestock units) averaged £590 each in grants and subsidies. The largest 750 (those with more than 300 livestock units) averaged £13,200. "In a nutshell, 30% of the money goes to 6% of the farmers" (Lowe et al 1986, p333).

The other main plank of structural policy was the 1972 Directive, 72/159/EEC, on farm modernisation, mentioned earlier. This scheme was not fully effective until 1977. It provided incentives for farmers submitting approved "development plans" including the keeping

of proper farm accounts. The incentives took the form of either capital grants or low interest loans - in the UK the former were used. Aid towards farm tourism and craft was not taken up in the UK. Also available was support for joint investment schemes on such activities as land improvement (Arkleton Trust, op cit p14).

In the UK grant aid was provided through the Agricultural and Horticultural Development Scheme (AHDS) (before 1980 known as the Farm and Horticultural Development Scheme (FHDS)). Under this scheme the rates of grant in the LFA were approximately 50% for land improvement, 37% for building work and up to 70% for drainage schemes (Ibid, p61).

The criteria of eligibility was that by the end of the approved development plan sufficient employment must have been provided to occupy at least one full-time worker and that the business must have earned at least the comparable income for each labour unit. This effectively ruled out the participation of any part-time units.

Between 1981/82 and 1986/87 Welsh farmers received in total £63.8 million under the AHDS. This was distributed sub-regionally as 29% to Powys, 28% to Dyfed and 13% to Gwynedd. The main items of expenditure were farm buildings (41% of the total), field drainage (15%) and grassland improvements (13%) (Welsh Agricultural Statistics).

A national grant scheme was also available supplementing the AHDS. This was the Agricultural and Horticultural Grant Scheme (AHGS)

(before 1980 known as the Farm Capital Grant Scheme (FCGS). The criteria of eligibility for this scheme were broadly the same as for the AHDS. The scheme also offered grants on capital expenditure.

Between 1981/82 and 1986/87 Welsh farmers collected £82.7 million from this scheme : 38% in Powys; 29% in Dyfed and 12% in Gwynedd. The main items of expenditure were similar to those under the AHDS: farm buildings (21%); field drainage (20%); roads, fords and hedges (18%) and the reseeded of grassland (14%) (Ibid).

In the light of these payments it is perhaps no surprise that agricultural investment in Wales expanded rapidly between 1980 and 1984.

Table 4.13

Agricultural Investment in Wales  
(£ Million - Current Prices)

|                     | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---------------------|------|------|------|------|------|------|
| Plant and Machinery | 23   | 18   | 27   | 31   | 28   | 30   |
| Building and Works  | 44   | 46   | 71   | 80   | 86   | 69   |
| Vehicles            | 7    | 8    | 10   | 8    | 12   | 11   |
| Total               | 74   | 72   | 108  | 119  | 126  | 110  |

(Welsh Agricultural Statistics)

Levels of state support to Welsh Agriculture were running high in the 1980's, in one year, 1986-87, Welsh producers received £108 million



in grant and subsidies (Hansard 6 July 1987, Vol 119, Col 15). If we add up the number of grants and subsidies made available to Welsh farmers between 1980/81 and 1984/85 (excluding price subsidies) the total comes to £328.4 million or approximately £11,000 per holding<sup>(8)</sup>. If, as Lowe et al suggest for the UK level, 30% of the money went to 6% of farmers, in Wales this 6% claimed approximately £98 million during this period or approximately £54,400 per holding.

In 1981 the European Commission began to rethink the direction of structural policy. "Great care must ... be taken not to sanction developments which increase ... productivity but cannot be justified by market demands" (Green Europe (181) 1982, p11). However, as we saw earlier, Welsh dairy farmers were still able to utilise AHDS aid to finance expansion plans up until the imposition of milk quotas. Rather belatedly, action was taken to prevent such uses of the scheme. In 1985 Regulation 797/85/EEC was implemented. This embodied two main considerations

"In the first case there is need to take account of the adverse impact of the continuing economic recession on farm development. Secondly, given the accumulation of structural surpluses in the case of many farm products, improvement in production efficiency must now take place without contributing further to this problem" (Commission of the European Communities 1985a, p88).

This Regulation brought the capital grant schemes to a halt. The new system of aid was to be applicable to investments relating to:

- "(i) the qualitative improvement and conversion of production in line with market requirements.
- (ii) the adaptation of the holding for the purposes of reducing production costs, improving living and working conditions and saving energy.

(iii) the protection and improvement of the environment"  
(Ibid, p89).

In general, no further aid was to be given towards milk production.

In the UK this Regulation was put into effect through the Agriculture Improvement Scheme (AIS) of 1985). The criteria of eligibility for this scheme are not far removed from these for the earlier schemes: the applicant must derive over 50% of his/her income from agriculture and must spend at least 1,100 hours a year working in that business. (S)he must have been in agriculture for at least five years, or have agricultural qualifications of a certain standard. The farm income per labour unit must be less than a "reference income" (£8,825 for the UK in 1987) and at the end of the scheme must be no more than 120% of that "reference". A plan must be submitted and an undertaking made to keep farm accounts (Countryside Policy Review 1987, p31).

Despite a change in emphasis in the new scheme, away from 'production for production's sake' the scheme still remains out of reach of part-time farmers and still embodies the principles of "modernisation" that characterised all structural policies during this period. Perhaps the most welcome amendment lay in the stipulation of an upper limit to eligibility.

At the time of writing it is difficult to gain any real indication as to the likely effects of this scheme. However, as the Countryside Policy Review Panel pointed out, the attempt to convey conservation

mindedness to farmers through an agricultural measure of this sort seems profoundly misplaced (Ibid). While concurring with this we could perhaps add that attempts to achieve social objectives through measures of this sort have in the past been wholly misguided. They have achieved little but an exodus from the rural areas while allowing large farms to get larger. The EEC measures have, if anything, gone further down this road than the previous national schemes, if only because they have allowed such huge amounts of money to be channelled into the rural areas.

The effect of the CAP has in general been to reinforce existing trends towards specialisation, capitalisation, the growth of holdings and the exodus of labour. The emphasis remained on building 'economic', 'rational', 'viable' units in the Welsh countryside. Meanwhile more people disappeared from the land and further pressure was put on the environment<sup>(9)</sup>.

Hughes has calculated, in terms of "full-time equivalents" (calculated by multiplying "the number of persons in each category of employment given at the June agricultural census for the ratio of the average number of hours worked in each category to that of a full-time male worker"), that between 1977 and 1986 the loss in employment was the equivalent of 1,546 full-time jobs or 3% of the 1977 total. Most disturbing however, between 1986 and 1987, 1,693 jobs were lost. He concludes that "there has been a dramatic decline in employment amongst farmers" (1988, p5). Moreover, much of this employment loss took place in relatively unimportant sectors of Welsh agriculture,

eg. pigs, poultry, horticulture and cropping farms. Therefore, "Welsh agricultural employment has become more specialised and dependent on dairy farming, sheep and cattle rearing" (Ibid).

It would appear therefore that rather than being strengthened by the huge amounts of state aid pumped into the industry, Welsh farming has been weakened by its increasing dependence on three sectors which look increasingly precarious. Two of these - milk and beef are in acute structural surplus and this can only put more pressure on the third. Furthermore, those policies have not even achieved that which they explicitly set out to do; stabilise farm incomes. Welsh farms incomes have been continually falling since 1977.

Table 4.14

Index of Farm Incomes in Wales

|                           | 1977 | 1978      | 1979 | 1980   | 1981     | 1982 | 1983  | 1984 | 1985 |
|---------------------------|------|-----------|------|--------|----------|------|-------|------|------|
| Farm<br>Income            | 100  | 117       | 50   | 46     | 58       | 70   | 35    | 49   | 28   |
| (WO 1986,<br>Agriculture) |      | Aggregate | Net  | Income | Accounts | for  | Welsh |      |      |

(v) Agricultural Change and the Rural Economy

These changes have important implications for the rural areas of Wales and must be set in this wider economic and social context.

While the problem of depopulation was apparently halted in 1971 (between that year and 1981 mid Wales registered a 9.5% increase in

population) the decline of the rural areas may not yet have been arrested. Mid- and west Wales have seen their dependence on primary industries give way to an equal dependence on services and manufacturing. Up until 1976 employment grew in education, tourism and retailing. After 1976, and the establishment of the Development Board for Rural Wales these trends continued and were reinforced by a growth in manufacturing industry. North west Wales registered similar trends, although services were more prominent here (see Cooke 1987). The most dramatic change in employment patterns showed up in female activity rates which rose by 21.6% in rural south Wales and by 17.7% in rural north Wales, between 1971 and 1981 (Day 1988).

This type of employment - services, such as tourism and education, and small scale manufacturing - is concentrated in rural Wales at certain key points. For instance, Newtown contains over 36% of the DBRW's factory units and the rest are concentrated at certain "growth points" (this is discussed more fully Chapter 6(iv)). The rural "hinterland" may therefore continue to lose employment and people. Between 1976 and 1986 for instance Meirionydd "has in crude population terms stagnated ... and has a particularly unfavourable population structure" (Williams G 1986). Recent studies have come to similar conclusions: "Some of the more remote rural areas outside Southern England, especially in Wales and Scotland now look decidedly less healthy in economic terms than a few years ago" (Champion and Green 1988), while Day, using the same data, remarked "rural Welsh labour markets include some of those with the poorest records for the whole of Britain" (Day 1988).

The kinds of changes that agricultural policies have engendered in these areas have weakened their economic and social structure still further. By reinforcing 'specialisation', 'intensification' and the 'drift from the land' these policies have prevented any integration of agriculture into wider economic activities thereby ensuring that fewer people are employed in the industry and furthermore, that fewer people work in rural Wales. However, the recent 'crisis' of agricultural policy (discussed in chapter two) sees a reorientation of support away from farming per se towards more diverse rural activities.

The questions we must ask here include, does this change in policy mean an end to the modernisation strategy which had such unfortunate effects on the social complexion of the Welsh rural areas? How far have the agricultural departments taken on a responsibility for non-agricultural activities in the rural areas which for so long seemed beyond their sphere of concern? What are the likely consequences of these new policies in rural Wales?

#### Section 4 : the response to the crisis - recent policy initiatives

##### (1) The Wildlife and Countryside Act

In examining recent responses to the crisis confronting the agricultural policy community it would be foolish to disregard the 1981 Wildlife and Countryside Act, one of the "Big Berthas" of rural legislation (Cox et al 1987, p56). One of the most significant aspects of this legislation lay in the shift of emphasis it presaged:

"Whereas previously the onus was on conservationists to demonstrate the damaging effects of changing farming and forestry practices, the agricultural community and the government are now obliged to show that the Act is being effective in halting the destruction of wildlife habitats and landscapes" (Ibid p58).

However, this Act clearly represented something of a victory for agricultural interests. At the heart of the legislation lay the 'voluntary principle' whereby farmers were left free of a system of planning controls and compulsory restrictions making conservation reliant on the goodwill of the farming community.

The principal form of protection enshrined in the Act was the "management agreement". These were made mandatory on the conservation agencies (the NCC in sites of special scientific interest (SSSI) and the National Park Committees in national parks), but not on farmers and landowners. Essentially these agreements meant that farmers were paid compensation (for profit

foregone) to manage the land in such a way as to further conservation objectives. The only real control over farming practices lay in Section 11 of the Act which stipulated that farmers must give three months notice to the NCC of their intention to carry out "potentially damaging operations" in SSSIs.

The Wildlife and Countryside Act therefore allowed the agricultural agencies to maintain some statutory room for manoeuvre in their response to conservationist pressures. Not only did it embody the voluntary principle (the notion of farmers as unpaid 'stewards' of the countryside) and the right to payment for profit forgone (often meaning farmers right to claim other state support), but perhaps most importantly, its provisions confined conservation objectives to a very small proportion of the countryside, ie. National parks and SSSI's (MacEwan and MacEwan 1982b, p71). The Act only touched the wider countryside to the extent that individual farmers decided to comply with the voluntary undertaking, delivered by their representatives, the unions, to conserve rather than destroy.

For these reasons, the Wildlife and Countryside Act should be seen as an attempt by agricultural policy makers to preserve as far as possible the status quo. It does not mark a real attempt to come to terms with the gathering crisis confronting policy. Achieving this official sanction for the voluntary principle allowed agricultural interests to continue to operate in their time-honoured fashion and merely committed them to looking over their shoulders at the environmental consequences of their activities. In no sense were conservation objectives built into agricultural policy. Therefore as



a solution to the impending crisis facing the agricultural sector the Act was largely irrelevant. It went no way towards checking the absurdities of a 'productionist' agricultural policy. Neither did it calm the fears of the conservationists. In fact critical commentators from this quarter called the Act "unprincipled" arguing that it was a "dead end" which "leaves agriculture and conservation on a collision course but provides no way of regulating the conflict except by pouring small amounts of money into a bottomless pit" (MacEwan and MacEwan, op cit p71).

Little further attention will be paid in what follows to the subsequent functioning of this Act although clearly it must be seen as a vital part of the backdrop informing the strategies of both the agricultural and conservation agencies.

(ii) Diversification and rural enterprise

In 1987 the agricultural departments published a package of measures, "Farming and Rural Enterprise" (HMSO 1987). This was a summary of existing and soon-to-be introduced legislation.

This package indicated what one senior MAFF official called a "vital quantum shift in policy making" (Anderson 1987, p13). The proposals recognised that

"a new balance of policies has to be struck; less support for expanding production more attention to the demands of the market more encouragement for alternative uses of land, more response to the claims of the environment, more

diversity on farms and in the rural economy at large"  
(Farming UK 1978, p3).

The role of the agriculture departments, the farming industry and rural development agencies, it argued, lay in "encouraging diversification at farm level, stimulating further rural development and integrating agricultural and other development programmes" (Ibid p25). Many of the proposals relating to agriculture in the package revolved around the new AIS discussed above. This was extended by Section 22 of the 1986 Agriculture Act which enabled grants to be offered for the setting up of ancillary businesses on farms and in 1987 the government issued further proposals on diversification. It was proposed to give capital grants, at a rate of 25% on investment, up to £25,000, on such items as on-farm tourist accommodation, craft industries, visitor attractions, recreation facilities, farm shops, pick-your-own, and pony trekking (Nix 1988, p167).

Further emphasis on diversification came with the announcement of a Farm Woodland Scheme in the same year (to take effect in April 1988). It proposed that an annual payment of £30 per hectare in the uplands and £125 per hectare in the lowlands should be paid where agricultural land was planted with trees, on a minimum area of three hectares up to a maximum of forty hectares in the uplands and twenty hectares in the lowlands. These payments would be made for twenty years if the land was planted with conifers, thirty years with broadleaves (Ibid p35).

This array of diversification legislation was supplemented by changes

in planning regulations aimed at 'freeing up' the system to allow non-agricultural development to take place more easily in the countryside. Under the previous arrangements local planning authorities were obliged to consult the Agriculture Departments on individual planning applications involving any grade of agricultural land on sites of over four hectares. Under the new regulations, local planning authorities only had to consult the agriculture departments on applications to build on grades one and two land on sites of over twenty hectares (Rural Enterprise and Development, p25).

This package reflected new thinking on the future of agricultural policy and policies towards the rural areas in general. Agriculture must become more responsive to market demands ("The Government continues to believe that the root cause of imbalance between supply and demand is that prices are set too high. The best way of achieving a better long run balance must be through action to restrain prices" (Farming UK, p13)). As this would lead to land and labour being lost from the industry (estimates of land made redundant to agriculture by such a policy in the UK vary between 6.5 million acres and 15 million acres by the year 2000 (Guardian, February 11 1987)) there must be growth in other sectors of the rural economy to "smooth" these structural changes. Farmers must look to new enterprises to subsidise declining agricultural incomes.

While these proposals represent a clear attempt by the state to manage and "smooth the path" of change they are less interventionist than the traditional agricultural policy measures. Rather than

becoming intensely involved in directing the industry state agencies must now let the 'market' steer farming practices. The state's role is recast "to create the framework within which the vital objectives of a healthy rural economy and an attractive rural environment can be achieved" (Farming and Rural Enterprise 1987, Foreword).

This package of policies indicates that the agricultural agencies have now recognised that they must go some way towards integrating their policies with those of other state agencies in an attempt to counter both the internal and external pressures bearing on traditional policies. However these policies also represent an attempt by these agencies to maintain their dominant position within the field of rural policy making. It remains questionable therefore how far this approach takes on board the need for coordination and cooperation between the various agencies involved. It may be merely an exercise in damage limitation and an attempt to stake out new administrative territory in the face of mounting pressure for fundamental reform.

(iii) Environmentally Sensitive Areas (ESAs)

Article 19 of EEC structures Regulation 797/85 enabled national governments to create environmentally sensitive areas (ESAs). Clause 17 of the 1986 Agriculture Bill implemented this measure in the UK. In practice this meant that:

"within such areas emphasis will be placed on encouraging farmers to maintain and adopt practices that better protect

the needs of the environment. We shall do this by asking farmers to enter into agreements whereby they abide by conditions such as restrictions on the use of fertilisers, stocking limits, number and timing of hay cuts, maintenance of hedges and stone walls and so on" (P Fenner, Parliamentary Secretary for the MAFF, Hansard, 14 July 1986, Vol 101, Column 701).

In Wales, the procedure for designating such areas was as follows: the Secretary of State asked the Countryside Commission (CC) in collaboration with the Nature Conservancy Council (NCC) to recommend possible sites. The CC for Wales recommended sites in the Cambrian Mountains, the Lleyn Peninsula, Anglesey and Radnor. After consultations between the WOAD, the NFU, FUW, CLA, CC and NCC, the Secretary of State initially designated an area of 72,800 hectares in the Cambrian Mountains (see Figure 1) which came into operation on the 1 March 1988. This was extended on the 1 January 1988 by the designation of a further 64,500 hectares in the Cambrian Mountains and 39,750 hectares in the Lleyn Peninsula (WO Press Release, November 30 1987).

The actual implementation of the scheme was carried out by ADAS who advised participant farmers on the kinds of practices which would be acceptable given the particular complexion of their respective holdings.

A consultative group was established at the Welsh level, to oversee the management prescription in these areas. Chaired by WOAD personnel, it included representatives from ADAS, the NCC and the CC.

Although the ESA scheme was restricted to a relatively small area and

only commanded limited resources it has been argued that the measure should be viewed "as another way of promoting the sympathetic management of the countryside in every aspect while underpinning the economies of the farms on which their future and that of the countryside depend" (Countryside Policy Review Panel, op cit p33).

Furthermore by making payments available for the promotion of 'traditional' farming practices the ESA scheme implicitly conceded that modern agricultural practices had been environmentally damaging.

#### Diversification and Conservation in Wales

Many of the proposals packaged in "Farming and Rural Enterprise" were ostensibly directed at the LFA's and should therefore be of potential benefit to much of rural Wales.

However, these proposals were received cautiously by the Welsh farming community. One union leader put it thus: "diversification or alternatives are useful and they will have a certain impact on the problems that surround us. They are more applicable to some areas than other and probably least applicable to Wales where there are so few alternatives" (Interview).

This was echoed by Gasson (1988): "In the remoter rural areas, however great the need for families to supplement their incomes from farming, alternatives are limited" (p177).

This was given further credence by the low take up of the tourism and craft subsidies available under the AIS. As a WOAD official diplomatically put it "its not that the AIS has been a hindrance, but it has not appeared very attractive to the Welsh farming community ... We've had about 80 enquiries from individual farmers interested in farm tourism, very few interested in crafts" (Interview).

Without doubt tourism would be the most favoured route to diversification amongst Welsh farmers. Given the capital problems and indebtedness of many Welsh farmers the alternative enterprise demanding least in terms of capital outlay would be some form of tourist undertaking.

A brief analysis of this sector indicates why farmers have been careful not to rush into it.

In 1973, there was a total of 12 million tourist trips taken in Wales (WTB 1973) falling to 11 million in 1984 (WTB 1985). Within this aggregate were significant trends, eg by 1977 59% of all tourist trips were self catering holidays (Ibid). Furthermore, the average length of holiday was falling and by 1980 50% of trips were for less than four nights (WTB 1981).

The market was therefore gently declining over this period. Within this general market, farm tourism was endeavouring to increase its share. In 1976 the Welsh Tourist Board estimated that 3,000 farms were involved in tourism to some extent. By 1979 the figure was 4,000 farms (ie one in eight), earning on average £2,500 per annum

from tourism (WTB 1979). This figure continued to increase and by 1984 there were estimated to be 6,000 farm tourist operators, or 20% of all agricultural holdings. Furthermore, these operators were regionally concentrated in areas like Snowdonia where 40% of all agricultural enterprises were involved in tourism (WTB 1984).

A 1981 study of farm tourism in the Less Favoured Areas discovered that "The receipts generated by tourism were equivalent to a little over 5% of the value of the agricultural output produced on these farms" (University of Exeter 1983, p26). The study concluded that "tourism is still very much a supplement rather than a competitor to agriculture and hence conforms with the long established view that the prime objective of the agricultural industry is to produce food and that tourism must dovetail into this main objective" (Ibid p26).

This would seem to indicate that: (a) in the event of a withdrawal of agricultural support, tourism could not be regarded as an adequate substitute for food production on Welsh farms, and, (b) the number of farm tourist operators already in existence seems to rule out this option for any substantial number of potential new entrants.

The diversification proposals would appear therefore to offer only limited scope for the adoption of new enterprises. In the view of one commentator "for the vast majority of farmers, genuinely new opportunities for value adding or enterprise diversification simply do not exist" (Haines 1986, p24).

The ESA scheme, on the other hand, seems to embody a more important



principle and may, in the long run, point to a possible way forward for many Welsh farmers struggling under restrictive support regimes. As an ex-Chairman of the Welsh NFU said "I think the ESA concept is the most significant change in agricultural policy that we've seen for many years. Its potential as a method of directing farm policy and even restraining production is quite immense" (Interview). However a warning note was sounded: "the main reason that the concept is acceptable to the farming industry is that it is voluntary" (Ibid). Here then is a potential area of conflict. For the ESA concept to be effective in the long term it has to apply to a significant proportion of agricultural land. As the scheme stands at present, the designated area is quite modest (as is the level of expenditure) and within that area the number of farmers joining the scheme may be small. Yet the logic of the measure seems to be that farming in an ESA should be 'environmentally sensitive'. However, making the scheme compulsory would doubtless meet the resistance of the farmers unions. This situation could change if the provision of HLCAs was threatened. ESA payments could take their place.

The "schizophrenic" nature of policies towards the upland (Slee R 1981) is epitomised by the provision of HLCA and ESA payments within the same areas. HLCAs have been demonstrated to be environmentally damaging, especially in the way they've been applied in Wales (with no upper limits).

"This open-ended HLCA payment system encourages overgrazing of upland vegetation, the grazing of broadleaved woods which are then unable to regenerate because of it and have encouraged - with substantial capital grants until the end of 1984 - the cultivation of moorland, drainage or wetlands and the conversion of traditional, often floristically

rich, hay meadows to wildlife - poor grass leys" (Smith M 1987, p306).

This kind of criticism led to calls for the reform of the HLCA system (Ibid, pp308-309) and its outright abolition (Pye Smith and Hall 1987, p126).

These kinds of conflicts could be largely defused if the priorities and direction of agricultural support were made clearer. HLCA payments, by their very nature hark back to a 'productionist' agricultural policy which both the UK government and the EEC Commission seem to agree cannot be maintained. There is confusion here. Yet the ESA concept, although only in the early stages of development, points to one way that production and conservation could be united in the LFA's (and indeed beyond). If this were followed through it would finally, belatedly get Welsh agriculture off the treadmill of intensification and specialisation.

The proposals outlined above seem to indicate a willingness on the part of the agriculture Departments to involve themselves in policy areas that, until recently would have been regarded as beyond their limits of responsibility. Now in rapidly changing circumstance, "diversification" and "conservation" are buzz words in agricultural policy circles. The agriculture departments claim to be:

"committed to striking the right balance between all the diverse interests in rural areas and to gearing our agricultural policies towards the achievement of wider environmental, social and economic goals" (P Fenner, Parliamentary Secretary for MAFF, Hansard, 14 July 1986, Vol 101, Col 700).

Whether an effective integration of previously divergent, and often conflicting policies can be achieved at the present time must remain in doubt. It seems clear that the agricultural departments, after decades of showing no apparent concern for the social and environmental consequences of their policies, have been forced to take on board rural development and conservation. Nevertheless, while this has undoubtedly broadened the scope of agricultural policy, beyond its previous narrow, 'productionist' boundaries, the farm and farmers remain central to its concerns. As Gasson comments in reference to the 'diversification' proposals "if the aim of this type of initiative is not farm development but rural development, one might ask why the aid needs to be channelled through farms at all" (op cit, p181). The answer of course, as Gasson recognises, is because of the institutional dominance enjoyed by the agricultural departments over other rural development agencies. While this continues it is difficult to see the plight of the Welsh rural areas being significantly alleviated.

#### Notes

- (1) 'Rural Wales' is used here to refer to the 'non-industrial' counties of Wales. This excludes therefore the old counties of Flint, Glamorgan and Monmouth and the new counties of Clwyd East, Mid Glamorgan, South Glamorgan, West Glamorgan and Gwent.
- (2) See Colyer R (1976) for a description of the Welsh cattle drovers and the impact of the opening up of the railway system on the patterns of trade.
- (3) According to Adamson (op cit) non-conformist religion provided the "ideological framework for tenant solidarity "underpinning a "common consciousness on the part of the tenantry" (p212). This accentuated the linguistic and political gulf between the landlord and tenant.

- (4) These new entrants and the new patterns of ownership were not unambiguously regarded as advantageous for Welsh agriculture. According to the Council of Agriculture for Wales

"For the occupier to be the owner of his own farm is not wholly an advantage ... financial embarrassment in such cases is frequent and ... experience does not show that those who own their holdings use the land to better purpose than those who are tenants" (Minutes of Proceedings Sixth Meeting Friday 1st October 1922).

- (5) Between 1939 and the mid-1950's there was little change in the size-pattern, of Welsh holdings (see Martin A, 1962).
- (6) "Production for a national market, as opposed to a barter basis, and demands for public services have created a consciousness in the minds of Welsh farmers that their holdings are production units on a commercial basis in a national industry". This comment in the Mid Wales Investigation Report (Welsh Agricultural Land Sub-Commission 1955, p17) exemplifies this attitude.
- (7) Despite the MAFF's unwillingness to look beyond the confines of agricultural policy, the NFU in Wales in a report of the problems of Mid Wales did look at the wider economy and advocated the establishment of

"a regional development authority armed with executive powers and financial resources capable of bringing fresh life to Mid Wales. Its first task would be to prepare a long-term plan to improve the rural infrastructure, to induce new industry to the area, to examine as a matter of urgency the feasibility and location of a new town ... and to provide ... homes of attractive appearance and sound quality" (NFU 1964, p11).

This contradicts Broady's view that the agricultural lobby opposed the introduction of manufacturing industry into Mid Wales (1980, p80).

- (8) This figure was calculated from the table below:-

Grants and Subsidies (Wales) 1980-85 (£1000)

|                              | <u>1980/81</u> | <u>1981/82</u> | <u>1982/83</u> | <u>1983/84</u> | <u>1984/85</u> |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| AHDS(Investments)            | 9364           | 9032           | 13339          | 14152          | 12103          |
| AHDS(Guidance Premium)       | 2031           | 1496           | 1436           | 1048           | 869            |
| AHDS(Farm Accounts Grant)    | 263            | 253            | 233            | 197            | 168            |
| AHGS                         | 9508           | 9560           | 13039          | 18185          | 16264          |
| HLCAs                        | 19753          | 22794          | 23403          | 23752          | 23920          |
| Sheep Annual Ewe Premium     | -              | 7685           | 10326          | 26304          | 18719.5        |
| Sucker Cow Premium           | 1970           | 1892.8         | 1885.5         | 1811.1         | 3631           |
| Non-Marketing of Milk Scheme | <u>2518</u>    | <u>2059</u>    | <u>1462</u>    | <u>1244</u>    | <u>814</u>     |
|                              | <u>45406</u>   | <u>54771.8</u> | <u>65123.5</u> | <u>86703.1</u> | <u>76488.5</u> |

Total 1980/81 - 1984/85 = 328,492.9

Total number of Holdings - 30,000

Total per Holding 1980-85 = 10,946

(Welsh Agricultural Statistics)

- (9) For indications of the environmental damage inflicted on rural Wales during the post-war period see Sinclair 1983; Parry and Sinclair 1985; and Dixon 1984.

## CHAPTER 5 : THE STATE, INTERESTS AND AGRICULTURAL POLITICS IN WALES

The history of agricultural policy in Wales is the history of increasing state intervention. From the limited technical assistance offered to farmers in the early years of the century through the first tentative measures of support in the 1930's, to the intensive and extensive, policies of the Second World War and post-war period, the state reached progressively deeper into the Welsh rural areas, playing a major role in changing the economic, political and cultural structure of the region.

In this chapter an attempt will be made to describe the changing institutional structure which took responsibility for this intervention. This will entail analysing the relationships between the various state agencies involved in the Welsh agricultural policy process, in particular the amount of autonomy enjoyed by specifically Welsh institutions, and the relationships between the institutions and the key interest groups who sought to influence policies. As we saw earlier (Chapter 3), at the level of the British state, the relationship between the MAFF and the NFU was crucial in shaping post-war agricultural policy. When turning to Wales we must ask, how far were Welsh interests and Welsh political institutions able to carve out a 'policy space' under this centralised umbrella? and how did the MAFF and the NFU seek to maintain their dominance over policy in this particular geographical area?

In order to answer these questions this chapter is structured into three sections. Section 1 deals with the state institutions concerned with agricultural policy in Wales. Section 2 looks at the activities of agricultural interest groups in Wales, tracing the development of these groups and their relationships with state institutions.

Section 3 briefly describes some recent examples of agricultural politics which escaped the state/group axis and which pointed to some of the weaknesses in the institutional order dominating the policy process.

Section 1 : State institutions, the policy process and the search for Welsh autonomy

- (i) Although for most of the 20th century agricultural policy was centrally formulated, first under the Board of Agriculture, then the MAF, and latterly under MAFF/WOAD, there was a steady growth of Welsh institutions chiefly concerned with the 'implementation' of policies. Given that the division between formulation and implementation is, to a large extent, artificial (Greenwood and Wilson 1984, p3) we must look particularly closely at the functions of the Welsh agencies.

It has been argued that right from the beginning of the centralised administration of agriculture, "the desire was to remove the guiding hand of the Board of Agriculture and replace it with a Welsh Board which could act in a completely autonomous manner and attempt to solve the problems of Welsh agriculture in the way which it thought best" (Randall 1972, p360). The creation of the post of Agricultural Commissioner for Wales in 1912, with an office in Aberystwyth dealing with educational and livestock improvement schemes, (Ashby and Evans 1944, p141) indicates that these 'devolutionist' pressures were recognised centrally. The establishment of a Welsh branch of the Board of Agriculture was consolidated under a new Ministry of Agriculture in 1920. The Welsh Department was responsible for advising the Minister on Welsh agricultural problems. It was divided into two branches: the Land and Livestock Branch, chiefly concerned with the implementation and monitoring of the various livestock schemes; and the Education and Establishment Branch,



responsible for the payment of grants for agricultural education and pest and seed matters (Ashby & Evans, op cit p151).

According to Sir Francis Floud, Permanent Secretary to the MAF, speaking at a meeting of the Council of Agriculture for Wales (established in 1912 to advise the Welsh branch of the Board of Agriculture) "the Ministry desired that the [Welsh] Office should be definitely regarded by local authorities as the Ministry in so far as the work in Wales and Monmouthshire was concerned, and that Public Bodies in Wales should look to that Office for guidance and direction". Furthermore "it was the policy of the Department to transfer more and more of the work relating to the Principality to that Office as opportunity offered". However, this had to be placed within the overall context of MAF policy which was "to act not as controller of the agricultural industry but as a guide and to assist in the solution of the problems encountered in connection with farming practices" (Council of Agriculture for Wales, Minutes of Proceeding, 4th Meeting, 15 Dec 1921). Therefore, work transferred to the Welsh Department was likely to be of a narrow technical kind.

Consequently, the role of the Welsh Branch of the Ministry was not greatly expanded in the inter-war period and the desire for an autonomous institution able to formulate policies to meet the needs of Wales was not realised. The existence of the Welsh arm of the MAF signified the unique character of Welsh agriculture (there was no equivalent office in England) but it had little room for manoeuvre in its activities. While the state gradually moved towards a more

general agricultural policy this took place at the centre with the MAF in London holding any powers of policy formulation.

The outbreak of war in 1939 necessitated a speedy increase in food production. As the MAF had no local organisation the War Agricultural Executive Committee structure was established. The WAECs operated at the county level and worked through District Committees and Sub-Committees in the localities. Apart from the Chief Officer, who was appointed by the Minister, they engaged their own staff, many of whom were seconded from the County Councils (Ryan Committee 1951). These Committees were under the direction of the Ministry. In Wales, therefore, the Welsh Department had no administrative control over the WAEC structure; the two were entirely separate. "The War AECs were thus established as the Minister's local agents" (Ibid para 15).

With the introduction of the post-war agricultural policy the WAECs were permanently established as the County Agricultural Executive Committees (CAECs). Their main function was the promotion of development and efficiency (Ibid para 18). Working in conjunction with the Committees in this task was the newly established National Agricultural Advisory Service. The NAAS was organised on a provincial and county basis. England and Wales were divided into eight provinces each headed by a Provincial Director at a Provincial Centre. The counties were divided into districts where a general advisory officer was stationed. It was at the county level that the NAAS staff were integrated with the CAEC organisation, with the

County Agriculture Officers and District Officers usually being members of NAAS (Ibid para 51).

By the early 1950's, therefore, the MAF had established an extensive local structure. Consequently the Ministry itself had increased in size by six times between 1939 and 1951 (Ibid para 3). The extent of the MAFs activities led the Arton Wilson Committee of 1956 to comment that the Ministry "to a far greater extent than any other ... discharges almost all the functions of Government in relation to its major industry. Moreover these functions are exercised in a way which penetrates deeply into the operations of the individual farmer" (1956, para 9). An analysis of this structure by the Select Committee of Estimates in 1954, led them to remark that it was "so complicated that it might be called not one organisation but several" (quoted in Ibid, para 376). The Arton Wilson Committee discovered a "patchwork of organisations, often uncoordinated and working within 22 different sets of boundaries" (Ibid para 1). Furthermore, the Committee found "no effective channel of communications on matters of policy between the Minister, the Permanent Secretary and his senior officers at Headquarters on the one hand, and the organisations in the field comprising 10,000 staff on the other" (Ibid para 389). There was therefore, "no adequate system for ensuring that the policy is clearly understood by all ex-Headquarters staff; or that local considerations ... are accurately reported to Headquarters" (Ibid para 390).

The position in Wales differed little from that in England. The Welsh Department at Aberystwyth, headed by an Under Secretary, with a

staff of around 60, still functioned to report to the Permanent Secretary at headquarters on MAF(F) policy in Wales (Council of Wales 1957, p15). However, the Welsh Secretary had no responsibilities for the bulk of the Ministry's staff in Wales: 1,400 field officers reported directly to the Ministry in London. Both the CAEC's and the NAAS in Wales were under central control, leaving the Welsh Office merely to report back the effects of their activities to the Ministry. The MAFF in effect had created its own "local authority structure answerable only to itself". However, this local structure functioned solely to implement centrally formulated policies.

The Arton Wilson report dubbed these "separatist tendencies" of the Ministry "dangerous tendencies" (op cit, para 12) and argued for a complete rationalisation of the MAFFs ex-headquarters structure. In particular, the Committee recommended the appointment of Regional Controllers to coordinate the Ministry's spread of separate organisations (Ibid para 387).

This recommendation was implemented by the MAFF in the late 1950s. Seven regions were created in England, with Wales as a separate unit. In each region a Regional Controller took responsibility for the general administration and coordination of the professional, scientific and technical staff. These controllers had no policy-making powers. Policy was formulated centrally by Headquarters staff, mainly in conjunction with the NFU at the Annual Price Review. The Controllers merely had the task of explaining policy within their respective regions (Commission in the Constitution 1970 - MAFF written evidence Chapter 5, p31, para 5).

The Arton Wilson Committee's recommendations for Wales were not, however, fully implemented. The Committee had argued that "Wales is not a region but a nation" (op cit para 424) therefore "we strongly recommend that there should be the greatest possible degree of devolution of authority to the Welsh Secretary, over and above the duties and powers we have proposed for Regional Contollers in England" (Ibid para 426).

These proposals were echoed in the Council for Wales Third Memorandum of 1957. This Report was a wide-ranging survey of government administration in Wales. Looking at agriculture the Council argued that the administrative arrangements then prevailing could not

"effectively deal with the problems and needs in Wales ... A policy formulated by the Ministry in London can at best only deal with those aspects of agriculture common to both England and Wales ... the paramount need is that the machinery of administration in Wales should be designed so that the Welsh problems ... are given particular attention by someone whose primary concern is Wales. Hence there is a very strong case for a transfer from the Minister of Agriculture ... to a Secretary of State for Wales of Ministerial responsibility for all the formers functions in regard to Wales" (Council for Wales, op cit para 202).

This proposal formed a part of the Memorandum's general call for political and administrative devolution across a range of government departments, investing in a Welsh Secretary of State, policy-making powers independent of Whitehall. Perhaps unsurprisingly, the Report met a wall of silence in Whitehall, with only a brief reply from the Prime Minister, Harold Macmillan, which rejected all the Welsh Councils proposals. In reference to agriculture Macmillan argued that "the Welsh Secretary, who at the time of the Council's report

had only 60 of the staff in Wales under him. is, by now, responsible for a staff of 800, shortly to be increased to about 900, out of the Ministry's total staff of 1400 in Wales" (HMSO 1959, p6).

However, as the Council for Wales pointed out in their Fourth Memorandum of 1959, the increase in staff numbers under the control of the Welsh Secretary came about solely because of the implementation of the Arton Wilson recommendations, ie. the establishment of Regional Controllers. This was not a change exclusive to Wales. "Nothing, therefore, has been done in Wales as a result of the Report of the Panel, which has not also been done in England" (Council for Wales 1959, para 88). The Council went on to say "... even after the reorganisation of the Ministry ... there will still remain some 500 Ministry staff outside the control of the Welsh Secretary. These include large groups of technical staff who, on Welsh agricultural matters, will continue to report directly to a number of separate Divisions of the Ministry's headquarters in London" (Ibid para 89).

This episode clearly highlighted the total unwillingness of the centre, particularly the MAFF, to countenance any prospect of meaningful devolution to Wales. In fact, the entire Welsh Council report was totally ignored save for Macmillans curt rejection. Consequently the Council resigned en masse (Osmond 1977, p101).

It has been argued that this action, along with the 'Parliament for Wales' campaign which in the late 1950s collected signatures arguing for the establishment of such a body, galvanised the Labour Party

into taking the idea of devolution seriously (Ibid p103). Whether for these, or more immediately pressing electoral reasons, a commitment to the post of a Secretary of State for Wales found its way in to the Party's election manifestos of 1959 and 1964.

With the election of a Labour Government in 1964 James Griffiths was appointed the first Welsh Secretary. However, despite the fact that the 1964 Manifesto had envisaged the new Minister taking on executive responsibility for a wide range of functions, including agriculture, no mention was made of this in Harold Wilson's initial statement on the post's creation. The Welsh Office was to be formed out of the regional branch of the Ministry of Housing and the Welsh roads division of the Ministry of Transport in Cardiff. But no commitment was made to transfer other functions, most importantly those relating to health, education and agriculture. These still had to be "painfully extracted" from a "reluctant Whitehall" (Rowlands 1972, p334).

The first major change in agricultural policy administration came in 1969 when the Secretary of State was permitted to share, with the Minister, some responsibility for agriculture in Wales. The shared responsibilities included: the administration of various grants and subsidy schemes; a place for the Secretary of State at the Annual Price Review; and the ability for the Secretary of State to make appointments to committees in Wales (Commission of the Constitution 1970, WOAD written evidence, p13, para 12).

The most important of these new functions was undoubtedly the Welsh Secretary's seat at the Annual Price Review which meant for the first time a voice speaking specifically for Wales at these crucial negotiations. However, this was tempered by the disclosure that no Welsh Office staff had any agricultural responsibility; the Secretary of State relied entirely on the Ministry for "guidance" (Hansard 16 Feb 1970 ,Vol 796, Col 5).

One reason why it was so difficult for the Welsh Office to acquire any responsibility for agriculture lay in the history of agricultural administration.

"Where there was no tradition of a unified administration covering England and Wales - as in the case of health insurance housing and local government - it was a relatively easy task to set up self-contained Welsh departments ... But in those spheres of government activity, such as agriculture ... where there was no established tradition of jointly administering English and Welsh affairs, it was much more difficult - not least because of the attitude of civil servants themselves who objected to the concept of "area" administration because it conflicted with their functional view of things" (Randall 1972, p360).

Furthermore, this unified system across England and Wales resulted in "great political pressure towards conformity" (Ibid p361). This tradition of a centrally formulated agricultural policy, uniformly implemented across England and Wales bred resistance to the devolution process. The more the MAFF gave to the Welsh Office in terms of policy-making autonomy the harder "political uniformity" would be to achieve.



Despite this resistance, during the early 1970s the Welsh Office acquired more functions, including health services and education. In 1973 the Kilbrandon Commission on the Constitution reported in favour of elected Assemblies for Wales and Scotland (Commission on Constitution, 1969) and the 1974 Labour Governments dependence on Plaid Cymru and Scottish National Party members for a majority in Parliament ensured that the devolution issue remained at the centre of the political stage.

Contemporaneous with these developments was the entrance of the UK to the EEC and thus the shift of agricultural policy formulation from London to Brussels. The coalescence of these political changes meant that by 1978 (the end of the transition period of Britain's EEC membership and immediately prior to the devolution referendum) the MAFF was prepared to cede another measure of responsibility for Welsh agriculture to the Welsh Office. The Secretary of State took over the 670 staff in the Ministry's Welsh Department at Aberystwyth and the 5 Division Offices in Wales. However, ADAS (formerly NAAS) remained part of a unified England and Wales service (Hansard 6 February 1988, Vol 943, Cols 452-3, written). Thus was the Welsh Office Agricultural Department (WOAD) established.

- (ii) The Welsh Office Agricultural Department (WOAD) and its role in policy making

The prime function of the WOAD is to advise the Secretary of State on agricultural matters and to ensure that Welsh interests are fully

taken into account in the formulation of UK agricultural policy (House of Commons, Committee for Welsh Affairs 1981, WOAD Memorandum).

The Department is structured into three divisions:

Division 1 concerned with general agricultural policy and individual commodities, based in Cardiff. It is responsible for advising on EC agricultural matters, concentrating particularly on the milk and livestock sectors which account for approximately 90% of Welsh Agricultural output. It also liaises with the industry advising on marketing and processing (Ibid para 4).

Division 2 responsible for the administration of land drainage and animal health, also based in Cardiff.

Division 3 in Aberystwyth concerned with the administration of grants and subsidies specialising in matters related to land use and tenure. It is therefore responsible for administering EC structures legislation and the payment of HLCAs (Ibid para 6).

The five divisional offices at Caernarfon, Carmarthen, Cardiff, Llandrindod Wells and Ruthin, together with their local area offices maintain day to day contact with individual farmers, farming unions and local authorities. They process grant applications, administer headage payments and work closely with both ADAS and the headquarters policy division.

ADAS in Wales remains part of a unified England and Wales service and is therefore funded by the MAFF and operates under MAFF guide lines. ADAS in Wales has a dual role, firstly, to keep the Minister of Agriculture apprised of the agricultural situation in Wales. This is carried out through a weekly intelligence report system by the five Welsh Divisional Offices; secondly, to give technical advice to the WOAD in the carrying out of its various duties. However, it is still the case that the 350 ADAS offices in Wales remain under the direct control of the Ministry in London.

Obviously, the establishment of the WOAD amounted to some measure of devolution to Wales. This should not be overestimated however. According to the Under Secretary at the WOAD, the Secretary of State " exercises this authority jointly with the Minister of Agriculture and the other Agricultural Ministers " (House of Commons, Committee for Welsh Affairs 1981, para 9). UK agricultural policy has to meet the various needs of the country as a whole. There is no policy which could be considered specifically Welsh. What the WOAD attempts to do is ensure that Welsh interests as it defines them, are adequately catered for within this general policy. How the WOAD undertakes this task was explained to the Committee for Welsh Affairs by the Assistant Secretary in charge of WOAD Division 1 (Policy and Commodities):-

"Towards the end of the summer ... we get together with our ADAS colleagues and review the year that we are into ... We then decide what the main outline or condition of the industry is. We then work gradually towards meeting the union to discuss with them how they see the industry. Eventually, after a number of meetings between ourselves and the unions, between ourselves and ADAS, all these things taking place together and meetings with the other

agricultural departments and the other UK unions, we evolve the annual review ..." (Ibid para 61).

The Annual Review remains the focal point of policy formulation within the UK. However, decisions on levels of price support now take place in Brussels. It is at the Annual Review that UK's negotiating position, in Europe, is formulated. The Secretary of State for Wales plays no part in the Brussels negotiations. As explained by a WOAD official, this is because

"the English agricultural industry is the largest sector of the agricultural industry in the UK; it has more farmers, more money, capability, etc. Because of that, the Minister of Agriculture has the lead in Brussels. The other agricultural Ministers do not have that representational responsibility. He speaks for the UK". (Interview)

Furthermore, WOAD officials are not necessarily present at the Brussels talks (House of Commons Committee for Welsh Affairs 1986, para 14).

Other aspects of policy formulation also rest more fully within the MAFF than the WOAD. For instance, EC Directives have to be transformed into domestic regulations. The staff in the WOAD is small in comparison with the numbers in the MAFF (670 compared to 12,500) (Greenwood and Wilson 1984 p15) so the drafting of domestic regulations is done by the Ministry in London. The next stage, as a WOAD official explained, is that

"they (MAFF) would come to the other agricultural departments and say 'these are the things we have in mind, what do you think?'. We then have the opportunity to comment on and suggest alternatives to the policy they had. Once the four Agriculture Departments had their ideas ...

they would then go out to the industry, and say 'what do you think of this' ... The regulations should then be agreed, referred back to the European Commission and laid before Parliament". (Interview)

Once again the lead comes from the MAFF; WOAD merely have an opportunity, along with the other Agriculture Departments and the unions, to put their views into the drafting process.

Therefore, despite the Welsh Office acquisition of administrative powers from the MAFF, there is very little room for the development of a specifically Welsh agricultural policy. This has resulted in some scepticism as to just how much autonomy from MAFF the WOAD actually enjoys. As a union official with experience of both Welsh and UK level negotiations put it

"its often said that WOAD is just a postbox to the MAFF. Certain functions were devolved but they were largely administrative functions like the processing of claims and feeding-up-the-ladder type functions where WOAD I takes commodity matters and puts the Welsh view to the MAFF; they do not put it in Brussels and MAFF then have to regard Scottish Office input and take a UK line". (interview)

However, as a central government department (albeit one serving a region) the Welsh Office is part of a complex network of institutional inter-relations. " Policy decisions are the product of inter-departmental consultations" (Budge et al 1988, p26) and furthermore, "it is largely within central administration that public policy is formulated" (Greenwood & Wilson op cit, p11). At the apex of this central administration is the Cabinet. Its inter-departmental committee structure effectively coordinates the various departments involved in the different policy fields. The agriculture

committee will have representation from the MAFF, the Scottish Office, the WOAD, the Home Office, the Treasury, the Department of Trade and the Foreign Office. Here "civil servants will be trying to identify crucial points at issue between departments. Arguing on the basis of some combination of long-standing departmental preferences and the attitudes of their ministers ..." (Budge et al op cit, p26). For every committee of civil servants an inter-departmental committee of ministers will sit. This will consider issues and points of policy which the civil servants committee has been unable to resolve.

The part played by the Secretary of State and WOAD civil servants in this process of bargaining and negotiation is by no means clear cut. On the one hand there will be a specific WOAD "departmental view"<sup>(1)</sup> which stands in some contrast to the other agricultural and non-agricultural departments. At the same time, where, for instance, the non-agricultural departments may be pressing for reductions in the role of agricultural support all the agricultural departments are likely to fall into line to resist this pressure. The distinct views of the agricultural departments would then merge.

The WOAD input here cannot be dismissed as merely 'token' yet given the size and resources of the departmental interests which may be ranged against it, both inside and outside the agricultural policy community, it is hard to see how much could be gained unilaterally by the department.

WOAD personnel are obviously aware of these limitations on their room for manoeuvre and as far as possible try to minimise the scope for

conflicts with the other agricultural departments, particularly the MAFF. As a WOAD official put it "the government is a government and the Ministers are anxious to work together - unilateral movement can lead to dissension and is not going to be welcomed by many. A policy has evolved of everybody keeping in step. People are anxious to work together". (interview)

It is, therefore, difficult to know how effective the WOAD input to the policy process is. WOAD officials believe they are successful in getting their departmental view across; in the words of one,

"whilst the Ministry of Agriculture has at the end of the day prime responsibility for formulating policy ... nevertheless we would expect, and have always had, a capability for inputting our own views and ensuring so far as we can they are heard and not only heard but implemented" (interview).

None of the above would seem to contradict Kellas and Madgewick when they argue that the Welsh (and Scottish) Offices

"are small and peripheral parts of a large and complex system ... For most of the time the two offices are engaged in the humdrum business of implementing policies decided elsewhere and introducing modest variations where they can to suit the conditions, needs and idiosyncracies of the two countries" (Kellas and Madgewick 1982, p29).

However, we should not assume that this situation is fixed and unchanging. It is important to stress that

"co-ordination within central administration ... does not occur between monolithic blocs, but by a process of interpersonal interaction. It is a product of a multiplicity of individual decisions, each one of which affects the overall order. As a result, relations between, as well as within departments are not static, but are an ever-changing pattern of negotiation, bargaining and

compromise by individuals at many levels and points of contact" (Greenwood and Wilson op cit, p38).

A WOAD official commenting on the MAFF-WOAD relationships said

"its changing all the time because you're getting different people there and different people have different concepts about what the collaboration is. We started off with the desire of working very closely together because we were operating the same schemes in the same countries in the same sort of way. We were also closely connected with MAFF because until 1978 this office was a MAFF office. Change occurs all the time, people here change and in MAFF there are changes. It is too easy to discount personalities and to discount the growing awareness that Welsh agriculture is very different to the English scene". (interview)

This statement seems to imply that the institutionalisation of Welsh "difference" guarantees its eventual acceptance within the state. The role of WOAD officials is to highlight and accentuate this difference inside a policy process which, by custom and practice, seeks to minimise it.

To summarise this section, it is hard to view the role of the WOAD as far removed from that of the original Welsh Department of the Board of Trade. That Department, like the WOAD, had the task of keeping the centre informed of the effect of policies in Wales and purported to be a voice for Wales at the centre. Of course, the WOAD is party to all the major policy discussions and, as a separate government department, has a standing which was denied the original Welsh Department.

It has effectively supplanted the role of the MAFF in Wales. And yet in the crucial area of policy formulation it has still not been able



to carve out a role for itself which distinguishes it from the centre.

Nevertheless, the WOAD has been able to draw on non-governmental resources in Wales to bolster its standing. The role of the farming unions, in particular, has been crucial in allowing the WOAD to develop its position. "No bureau can survive unless it is continually able to demonstrate that its services are worthwhile to some group with influence over sufficient resources to keep it alive" (Downs quoted in Jordan and Richardson 1987 p169). The departmental view is formed through a process of interest intermediation which serves to both legitimise the WOAD and also smooth the path of policy implementation.

Welsh agricultural interests are therefore decisively shaped by a process of negotiation which has the WOAD at its centre, standing between the central state departments and Welsh interest groups. This is a complex process and we shall return to it in due course. First however, the formation and development of the interest groups will be discussed before we analyse more closely their relationships with the state.

## Section 2 : Agricultural Interests and the Policy Process in Wales

The increased involvement of the state in Welsh agriculture has been mirrored by the growth in interest group activity. Wales is distinguished from the other UK countries by the existence of two farmers unions of roughly equal size both struggling to become the voice of the industry. The relationship between these two agencies, on the one hand, and their relationship with the state on the other has defined the parameters of agricultural politics in Wales and had a determinate effect on the formation of Welsh agricultural interests.

The political integration of Welsh agriculture into the central state system was achieved in two main ways in the post-war period. First, through the incorporation of the NFU at the national level; second, through the establishment of state institutions within Wales purporting to speak for Welsh agriculture. This integration however struggled to find stability. Dissatisfaction in Wales with the terms upon which Wales was represented in the centre led to a breakaway union in Wales which mounted a strong challenge to the hegemony of the NFU and, allied to this, pressure for a devolved decision-making structure.

In what follows an account will be given of the growth of the two farmers unions in Wales, the relationship between them and their relationships with the state. Attention will be paid to the patterns of incorporation which have prevailed in Wales and the extent to which they have delineated the formation of Welsh agricultural interests.

(1) The NFU and the FUW : the struggle to speak for Wales

The NFU, from its birth in Lincolnshire in 1908 quickly spread to other parts of England and by the First World War had begun to recruit members in Wales. Before it could establish itself in any substantial way an attempt was made to inaugurate a Welsh farmers union in North Wales in 1918.

The aims of this Welsh union, known as the National Farmers Union of Wales, included the reform of land and tenancy laws (including security of tenure and fair rent legislation) promotion of cooperation and education in Wales, and the provision of insurance facilities. The union remained in existence for four years and seemed to have been most successful in North Wales, although the extent of its support is not known. It was taken seriously enough however by the English NFU for the two to enter negotiation on possible unification. In 1922 the Council of the English NFU proposed the amalgamation of the two unions on terms which, formally at least, allowed some independence to be retained by the Welsh union and established a Welsh Committee within the NFU. On amalgamation nothing more was heard of the Welsh union (WF November 1965)<sup>(2)</sup>.

In 1927 the NFU published its first Welsh language document (NFU 1927) in an attempt to reassure Welsh farmers that their identity would be preserved in an English and Welsh union (Ibid paras 9-11). However, the overall thrust of the document was that the interests of the Welsh farmers would be best secured by joining with their English colleagues to further the interests of the industry as a whole. As

we shall see, this was a refrain to which the NFU returned again and again in dealing with the thorny question of Welsh autonomy.

Through the 1930's the NFU made only slow progress in its acquisition of Welsh members. It was not until the Second World War and the NFU's consolidation of its position within the state that it could seriously present itself "as the spokesman for the whole farming community" (Self and Storing 1962, p63).

That Welsh farmers became more aware in the immediate post-war period of the need for political representation is indicated by Rees' comment that "class solidarity in a form which first appeared among English farmers is spreading in the Welsh hills. Based upon a unity of economic interest and concerned solely with occupational matters it is a rural counterpart of urban trade unionism" (Rees A 1950, p161).

By 1955, the NFU had made considerable headway in terms of its Welsh membership which by that date stood at 32,000 (out of a total number of farmers of 48,000) (FW 9 Dec 1955).

However, in the late 1940's and early 1950's, the vexed question of Welsh autonomy began to reoccur. A number of issues became focal points for dissatisfaction. These included<sup>(3)</sup>:-

- A proposed afforestation scheme in the Rhandirmwyn area of Carmarthenshire. This affected about 40 farms and covered an area of around 20,000 acres. The leadership of the NFU supported the scheme but the Carmarthenshire delegates to the NFU headquarters opposed it.

After a public inquiry, at which the Carmarthenshire NFU made a case against the scheme, the afforestation proposals were dropped.

- A particularly severe winter in Wales in 1953-54 led to calls for a Welsh conference to discuss the problems facing Welsh farmers. The NFU leadership refused.

- The role of the Welsh Committee of the Union was questioned at this time. The Committee had no more power than any of the many commodity committees on which Welsh delegates were without exception, outnumbered by English delegates. This was highlighted by the MMB proposal to phase out an additional payment it made of 4d per gallon on the first 400 gallons per producer. This proposal was opposed by the Welsh Committee yet supported by the Milk Committee. The payment was abolished. Likewise the Welsh Committee recommended that Wales should have two members on the Wool Marketing Board, the NFU leadership recommended only one. Two members were not granted.

- Concern for the small farmer was further fuelled by the decision of the Union to increase subscriptions in the same measure for large and small alike.

- At the NFU's Annual General Meeting in January 1955 a resolution from Carmarthenshire recommended that Wales should be recognised on a par with Scotland and Northern Ireland. Not surprisingly, the resolution was heavily defeated.

The attempt by the NFU to consolidate large and small, English and Welsh, livestock and grain farmers within a centralised framework of negotiation, albeit with a committee structure which purported to cater for 'special interests' was by the early 1950's showing signs of stress.

In Wales these undercurrents finally came to a head in late 1955. Once again Carmarthenshire proved to be centre of the discontent. This was the largest branch of the NFU in Wales with 5000 members (FW 9 Dec 1955). It was also the largest milk producing county in Wales so the issue of the 4d premium was of particular concern, as the afforestation proposal had been earlier. Furthermore, the NFU officials in Carmarthenshire particularly the Secretary, J B Evans, seemed quite willing to exploit any issue which highlighted the under-representation of Wales in the NFU. Therefore it came as no surprise when these officials put themselves at the forefront of an attempt to form a Welsh farmers union.

On the 3rd of December 1955, at the end of a meeting of the NFU County Executive in Carmarthen, the Chairman, Ivor T Davies declared that something should be done about the unsatisfactory position of Welsh representation within the NFU and asked members who were interested in discussing this further to stay behind. Eleven members did so and as a result it was decided that they should form a Welsh farmers union. Ivor T Davies resigned as NFU County Chairman and was elected Chairman of the new union. D T Lewis was appointed Vice-Chairman. The group then sent for the branch secretary, J B Evans, who, on his arrival, announced his support for the new union and his willingness to take up the post of Secretary (WM 5, 6 Dec 1955). These were the founders of the FUW.

Reaction to these developments, within Wales, was swift. The press initially took a generally hostile approach to the breakaway union. The Western Mail, in a lead article, argued

"at a time when all efforts should be directed towards consolidating the gains made by farmers since the war, the need, surely is not for splinter groups founded on what would appear to be narrow nationalistic promises, but for unity with the NFU and a refusal to do anything which would weaken it as a negotiating body ... It is certainly hard to see what Welsh agriculture could gain from the Carmarthenshire proposal; it is easy to see what it could lose" (Western Mail, 5 Dec 1955).

Likewise, the Carmarthen Journal on the 9 December 1955 carried a leader making similar points:

"Farmers everywhere ought to ask themselves seriously and with cautious care whether they could be better off by dividing themselves. A divided house never stands ... If the small farmers of England and Wales are to get anywhere, surely they must speak with one voice, and the sooner the NFU is able to close its ranks the better for the industry and the nation".

The national farming press was more conciliatory. The Farmer and Stockbreeder, often regarded as a mouthpiece for the NFU advised caution:

"The revolt may be a symptom of two deeply rooted ideas; Welsh Nationalist sentiment and a real anxiety about the future of the small Welsh farmer - and for that matter the small English farmer. To appreciate these truths with genuine sympathy, and not to sneer at them, is to go a long way to healing the rupture. Quite clearly, the method of adequately dealing with the small farmer - anywhere - is not to start a separate organisation that cannot expect to survive long. But this will be demonstrated effectively only if [NFU] Headquarters displays a serious and sensitive regard to the problems and aspirations of a minority of its members, a minority that must be brought into full partnership is understanding. To crush a minority is a sign of weakness and guilt" (FS 21 Dec 1955).

The NFU leadership initially took this approach. No immediate move was made to condemn the breakaway. Sir James Turner, the NFU President saw the "revolt" to be of "very small proportions and one

which the Welsh counties are perfectly capable of looking after" (CJ 23 Dec 1955).

The Welsh counties themselves reacted by calling for unity. The Caernarvonshire county secretary of the NFU claimed "this is a storm in a teacup. I am amazed that some farmers do not realise that now is the time to unite and not split. As long as Wales remains 'under' Westminster, I do not see any chance of a separate farmers union working" (FW 9 Dec 1955). The Glamorganshire County Chairman said "I deplore Carmarthenshire's action. At a time like this every action should be taken to strengthen the Union and I condemn the breakaway" (Ibid).

The leaders of the new Farmers Union of Wales (FUW) on the other hand stressed the inability of the NFU to accommodate the needs of small Welsh farmers. According to J B Evans

"the small farmers of Wales can never be assured of a living under the present set up of the National Farmers Union. At present the union is being run by a small group of large farmers who have no interest whatsoever in the small man. At the annual price review the union team are all men farming not less than 500 acres. Since 1950 the main products of the small farmer - milk, pigs and eggs - have been under-recouped at each price review, but the big farmer has been safeguarded each year in the prices fixed for cereals and livestock" (CJ Dec 9 1955).

Ivor T Davies argued that

"Welsh interests can only be served by a Union truly representative of the industry in Wales and apart from influence not sufficiently associated with the problems of the small farmer. The Farmers Union of Wales comprised, as it is, of representatives from our own virile industry, firmly believes it alone can represent and speak for the small man on whose courage and determination will depend the



success of the new organisation. Welsh agriculture can only thrive while independently represented at the Annual Price Review and other negotiations affecting its future policy and security" (FS Dec 14 1955).

The tenor of the debate between the unions was immediately struck: the NFU saw the FUW as divisive at a time when unity was needed, the FUW saw no hope of adequate representation for the small Welsh farmer within the NFU, a new independent union was needed.

The FUW initially established its headquarters in Carmarthen (CJ 16 Dec 1955) and launched a market-to-market campaign throughout the Welsh countries to inform Welsh farmers of the aims of the union (FW 9th Dec 1955). In the first week a pamphlet was circulated listing the union's aims. These were:-

"To safeguard the interests of the small farmer in Wales;  
To secure adequate representation for Wales on producer marketing boards and other similar organisations;  
To obtain representation for Wales on the price negotiating team at the Annual Review on the same basis as those now appertaining to Scotland and Northern Ireland;  
To ensure that the cost of production should be based on those of the small farm and that in arriving at the cost of production the labour of the farmer and of his family on the holding shall be taken into consideration;  
To obtain a more ready and speedy redress of matters affecting Welsh agricultural interests;  
To further the interests of agriculturalists and workers in Wales and to ensure for them a fair return for the labour and capital expended on the holding;  
To make a realistic approach to the need for extending adequate supplies of electricity, water and other amenities to the rural areas of Wales in an endeavour to arrest the drift away from the land and maintain intact our village communities and the Welsh way of life;  
To liaise with the Young Farmers Club movement and endeavour wherever possible to provide opportunities for young men and women to enter the agricultural industry" (CJ Dec 9 1955).

The FUW, then, put the small Welsh farmer and his/her interests at the centre of its policy proposals. It therefore targetted its

membership campaign at those areas of Wales where such farms were most abundant. Most support was likely to come from the counties in the West such as Carmarthenshire and Cardiganshire. If support was strong in these areas "it would act as a basis for rallying mid and north Wales" (FS Dec 21 1955). Monmouthshire on the other hand was regarded as unpromising territory, and was initially excluded from the FUW's 'All Wales' campaign because it was "closely allied to the English type of farming and would, therefore not be in sympathy with the small Welsh farmers" (CJ Dec 9 1955) (This decision was reconsidered when Monmouthshire farmers expressed an interest in joining the Union) (CJ 16 Dec 1955).

As the FUW began its drive to build up its membership the friction between the unions increased. According to the Cardiganshire NFU county secretary the "splinter move" was "an act of treachery" (CN Jan 6 1956). G T Williams chairman of the NFU Potato Marketing Board Team asserted that "it is far better to have these people forced into the open rather than have a small number of 'quislings' hidden amongst us " (BRE Feb 16 1956).

Despite the attempt to portray the breakaway union as a small band of separatists the FUW gradually began to consolidate its position. In early January 1956 it announced the appointment of five area secretaries in Carmarthenshire and claimed it had established offices in Merioneth, Caernarvon and Anglesey (CN Jan 13 1956). In February the Union headquarters was re-established in Aberystwyth (WM Feb 7 1956).

The structure of the new union was modelled on the NFU. There were to be county branches run by full-time officials with a full-time headquarters staff to service the union and its leaders. Each county branch would send delegates to a Grand Council which would act as the supreme policy-making body. Headquarters committees would be established made up of representatives from the branches and these would cover the main areas of concern to the Union. Their policy proposals would go before the Grand Council for ratification.

The FUW, like the NFU, stressed it was a non-political organisation with no ties to any party or grouping (WM Feb 7 1956). This was clearly necessary as the Union's immediate aim was to secure a place at the Annual Price Review. The initial hope was that this would be achieved by February 1957, by which time the union hoped to have secured approximately 15,000 members (FW Dec 9 1955).

Meanwhile the NFU had begun to counterattack, and in early 1956 it was announced that a Welsh conference would be held in Aberystwyth in the spring of that year. However, shortly before this conference was scheduled to take place (early June) the FUW announced the date of their first national conference - three days before that of the NFU.

At the FUW conference, which was attended by approximately 400 delegates (CN June 1 1956) the focal point was the submission of the Union's policy document, the Draft Long Term Policy for the Small Farmer. This document was the first FUW attempt to stake out a distinctive policy territory for itself. It called, forthrightly, for the abolition of price subsidies. Two thirds of state subsidies

went to one third of farmers in the highest income group. The document proposed a system of differential prices based on the cost of production and a reasonable margin of profit. For milk, this meant "a system of individual guarantees to each farmer" with the small farmer receiving an individual guarantee for the whole of his milk; larger farmers would receive proportionately less. Furthermore, the Annual Price Review should be abolished and replaced by "Comprehensive Reviews" held every five years. A sum of money should also be set aside, it was argued to allow small farmers to "modernise" and invest in fixed equipment on their farms (FUW 1956).

This policy document and its submission at the FUW conference, put the NFU on the defensive. At their conference a few days later, they were largely restricted to rubbishing the FUW's Long Term Policy. According to the NFU President, Sir James Turner, the proposals were "absolute nonsense". The FUW was "seeking to create a cleavage between the small farmer and the large farmer which is a dangerous thing to do ... We of the NFU are anxious to think of the industry as a whole and those who do not are rendering a great disservice to Welsh agriculture" (CN June 1 1956). The conference concluded by adopting a resolution "condemning in strong terms any attempts to sow dissatisfaction among farmers" (Ibid).

The FUW quickly became "a painful thorn in the side of the NFU" (Wormell 1978, p227). But how successful the new union had been in acquiring members was difficult to gauge. In September 1956 the FUW announced that 10,000 members had been recruited (CN September 14 1956). This claim was, however, untrue. The number of recruits

gained from the NFU became clearer in early 1957 when the NFU admitted losing 400 members in Cardiganshire (CN Jan 11 1957) (this was later disputed by the FUW who claimed the number was in excess of 550) (CN March 1 1957). As this was one of the FUW's 'core' counties it is likely that the unions membership was well below 5,000 at this time.

By the FUW's first Annual General Meeting in June 1957 the union claimed to have organised in 11 of the 13 Welsh counties (the 2 counties not organised were Flint and Monmouth). Financially, the Union appeared to be soundly based with receipts standing at £20,000 and profit at £3,000 (FUW 1957). (This was achieved by some sleight of hand as the then FUW Secretary later revealed - two years receipts were combined into one).

It now seemed unlikely that the FUW would be a mere 'flash in the pan'. The danger was that Welsh agriculture would find itself permanently divided between two unions. For both this was unsatisfactory. The position of the FUW was spelt out in 1957 by the general secretary J B Evans who said:-

"we are prepared to cooperate with the other three unions to the advantage of British agriculture. But one thing is clear. There can never be two farmers unions in Wales. It has to be one union and it is up to Welsh farmers to decide whether it is to be the FUW or another union ... We will never agree to go back to the NFU and be taken as a region instead of as a country" (CN June 7 1957).

However, the only way out of the impasse would be through one union displacing the other by force of membership numbers and although the FUW had gained sufficient numbers to consolidate its position it was

hardly likely to drive the NFU out of Wales. A negotiated settlement, leading to an independent Welsh union, was equally unlikely. In fact the NFU would not even recognise the existence of the new union. As one FUW leader active at the time put it " they did not look at us - they looked straight through us". (interview)

"Looking straight through" the FUW did not make it go away. In 1959 the Financial Times reported. " The FUW is a force to be reckoned with. After 3 years it has an income of £34,000 and a reserve of several thousand pounds. Its membership, though undisclosed, is probably not less than 10,000 ... drawn off perhaps a quarter of the NFU's 30,000 subscribers. It has 43 full-time staff and several part-time staff ... There is clearly mass support for the principles of a farmers' organisation for Wales independent of the NFU" (FT May 29 1959).

Nevertheless by the early 1960's the FUW had made no headway in achieving the much-sought official recognition. Its first substantial gain in this direction came when the FUW candidate won the South Wales seat on the MMB. This was shortlived however, as the NFU candidate recaptured the seat three years later in 1965 (WM July 15 1965).

This minor gain for the FUW had the effect of galvanising the NFU into more positive action. In 1963 it inaugurated the Welsh Council a body with approximately 37 members, meeting quarterly to debate issues of importance to Wales. The Welsh Committee also continued to

operate at headquarters (NFU Handbook 1965). Pressure from the FUW appeared to be forcing a higher priority for Wales within the NFU.

By the mid 60's the FUW claimed to have 14,000 members (WM April 1 1965) and could celebrate ten years in existence. However, the impasse with the NFU remained. The NFU's attitude had changed little. The NFU Vice-President, G. T. Williams saw "no room for splinter organisations in British agriculture. Our industry has a fight on its hands and its union - the NFU - has need of the support of every farmer in England and Wales. Your voice can be heard effectively as farmers - as well as Welshmen - only through the NFU" (WM Oct 30 1965).

It was perhaps surprising, therefore that an attempt was made in 1966 to unite the two unions. Less surprising was the abject failure of this move; the NFU demanded the FUW return to the fold, the FUW refused (WF Winter 1966).

The late 1960's saw fresh tensions between the two unions. The creation of the Welsh Office and the acquisition, in 1969, of joint responsibility for Welsh agriculture by the Secretary of State threw into stark relief the distance between the two unions on the question of devolution.

As a centralised union with strong links in Whitehall the NFU was against any autonomy for Wales in the political process. The union argued against devolution on the rather vague grounds that it would "harm Welsh agriculture" (Wormell 1978, p279). Despite this

resistance the NFU realised it must have the capability to lobby effectively in Wales, A Welsh Office of the Union was opened in Welshpool in 1971 to service the reconstituted Welsh Council (this was merged with the Welsh Committee) (NFU Handbook 1972).

For the FUV on the other hand, the principles upon which it was founded predisposed it to seek the maximum devolution to Wales. It had set out to secure for Welsh farmers "equal status, equal representation, and equal responsibility to those of their fellow farmers in England, Scotland and Ulster" (WF July 1958) and although a Welsh seat at the Price Review was the main aim. the shift of policy-making powers to Wales could only increase the chance of the unions recognition by the state.

With devolution becoming a big political issue in the mid 1970's the FUV came down squarely in support: "anything less than an elected assembly would be a waste of time and money ... The Welsh Assembly should have a measure of freedom in deciding to improve the structure of the Welsh agricultural industry". Furthermore, the decision of the NFU to reject devolution "could only prolong the split in Welsh agricultural representation" (FUV President, T Myrddin Evans, quoted in CN Aug 30 1974).

Clearly, the longer responsibility for Welsh agriculture remained at the centre, with the MAFF, the easier it was for the NFU to keep the FUV frozen out of the policy process. However, the political currents of the mid-seventies were running in the direction of more autonomy for Welsh political institutions. As we saw earlier, by



1978 the Welsh Office had acquired responsibility for Welsh agriculture. In this situation it seemed anomalous to keep the FUW, given the size of its claimed membership, outside the policy process. Despite the NFU's opposition, the MAFF decided, after conducting an audit of the FUW's membership, to grant the union recognition on April 1 1978. The FUW had gained its long-sought seat at the Annual Price Review and was granted consultative status with the NFU's Welsh Council, at the WOAD.

These new arrangements made the issue of unity between the unions more pressing. For the WOAD, the division in Welsh agricultural interests had the potential to undermine their effectivity in pressing the Welsh case at the centre. The Minister of State at the WO had already hinted at this when he said: "with the strength of a united agricultural organisation in Wales I would be better able to speak with authority to my colleagues in England and Scotland" (WF March/April 1971). The Under-Secretary of State with the new responsibility for agriculture at the WO, Alec Jones, argued that this "decentralisation" of policy-making" could act as a catalyst for the merging of the NFU and FUW" (WM April 6 1978). Consequently, another attempt at unity took place in 1979.

At these negotiations the FUW once again pressed for a single Welsh union incorporated into a federal structure with the other UK unions. The NFU argued for a single union spanning England and Wales and offered a new augmented Welsh Council with its representatives going direct to NFU headquarters and Brussels. This however meant the end of an autonomous Welsh union and was therefore unacceptable to the

FUW. Once again the talks ended in failure and mutual recriminations (CN May 25 1979).

The last attempt at unification, at the time of writing came after the Secretary of State, Peter Walker called on the unions to settle their differences at the FUW's AGM in 1987. Although this call was heeded by both sides it soon became clear that little had changed.

"One autonomous farmers union in Wales - committed to the cause of Welsh agriculture - must be in the best interests of Welsh farmers ... The FUW Council has agreed to talks and has therefore given a lead which we hope others will follow. If they do not, one must come to the inevitable conclusion that Wales is not considered to be worthy of the same status as Scotland and Ulster and that in some quarters vested interests are more important than the welfare of Welsh farmers and Welsh agriculture".

Thus ran an editorial in the FUW's magazine Welsh Farmer (WF Dec 1987).

Meanwhile. the Chairman of the NFU's Welsh Council reiterated that the NFU was "the voice of Welsh farming and UK agriculture ... The NFU is the voice of farming - whether it be in the uplands of Snowdonia, in the Lowlands of Gwent, on the Dyfed Coast or the Yorkshire Dales. The NFU is synonymous with farming" (FG Jan 29 1988). Talks between the two did take place under the aegis of the WOAD, in early 1988, after which neither side made any public statement. The indications are however, that no progress was made. The impasse remains.

(ii) The Unions, the State and the limits of incorporation

As we have seen, the FUW set as its priority a seat at the Annual Price Review. This was not achieved until 1978 leaving a period of twenty-three years within which the Union attempted to influence policy makers from outside the policy process.

The FUW claimed shortly after its establishment, to have received full recognition from all government departments (CN July 27 1956). This was however not entirely accurate. The union did not have its first official meeting with the Welsh Department of the MAFF until June 1961. What the FUW claim referred to was the Ministry's acceptance of a FUW memorandum, submitted each year before the Price Review, detailing the unions policy proposals. This was the principal mode of representation enjoyed by the FUW prior to its formal recognition.

During the 1960's the FUW strengthened its contacts. In 1965 its leaders met the Welsh Parliamentary Party (WPP) which resulted in the WPP calling on the Agriculture Minister to recognise the union (WM March 4 1965). This came to nothing. In the same year the FUW visited the WO in London and met senior officials in Whitehall (WF Nov 1965). However, the union still lacked official recognition.

The small measure of agricultural responsibility devolved to the Secretary of State in 1969 did little to enhance the position of the FUW. In that year the Secretary of State, George Thomas, speaking at the FUW AGM told the union that it would never be recognised by

government as long as it did not cooperate with the NFU (WM June 5 1969).

By this time the FUW clearly enjoyed close informal links with the WO (as George Thomas' venue for the above announcement indicated) but the close ties between the NFU and the MAFF in Whitehall ensured the FUW's continued exclusion.

By the early 1970's with little immediate prospect of recognition the FUW began to argue that "the importance of the Price Review has faded into the background for there will be no Price Review, as we know it, after entry to the Common Market" (WF Sept 1972). The shift of focus to Brussels did not however improve the FUW's position. Its ability to lobby the EC directly was limited for two main reasons; firstly, lack of resources meant, unlike the NFU, the FUW could not open a Brussels office; secondly, the FUW was unable to join COPA, the umbrella organisation for all the national interest groups in Europe, as the rule was that recognition was confined to one group per country. Although the union claimed it had never had any difficulty in putting a case to the European policy makers "... it has always been a Welsh case not one diluted by the interests of our competitors on the continent" (WF April 1982) the FUW faced restricted access in Brussels, only lobbying on particular issues at particular times.

The spectre of devolution in the mid-70's strengthened the FUW's hand. As the President T Myrddin Evans said at the time "it is inevitable that there will be some measure of devolution in the foreseeable future and whatever form it takes it can only strengthen

the FUW" (WF Dec 1976). NFU opposition to the devolution proposals doubtless sprang from the same conclusion.

This proved largely correct. The acquisition of agricultural responsibility by the Welsh Office corresponded with the recognition of the FUW. However, despite the granting of equal status with the NFU, the FUW clearly could not match the NFU's scale of activity or proximity to the MAFF. This was understood by the FUW. As one official explained:-

"our status with them is not equal, no doubt about that. First, sheer scale of operation and money; more, better paid staff ... The way in which we're viewed by the establishment is different to the way they regard the NFU. It would be a cliché to talk about 'the old school tie' and the 'farmers club' and so on but it's true to a large extent. The NFU has got that sort of influence in those sort of circles. In the main, although we have it, it's not on the same scale : the degree of infiltration just isn't the same by any means ... they usually win the day and I guess the reason is they're there, they've got this amazing presence as an organisation and they are the NFU - the National Farmers Union - they have an air of national credibility".  
(interview)

At WO level the situation is somewhat different. Responsibility for dealing with the WOAD within the NFU was devolved to the Welsh Council and in 1978 the unions Welsh office was moved to Cardiff to liaise with the WOAD.

The NFU's Welsh Council numbers about 50 delegates drawn from the Welsh county branches. The Chairman and Vice-Chairman (elected by the Council bi-annually) negotiate with the WOAD. The Chairman is also a member of the NFU's national office holders committees and is part of the joint NFU UK negotiating team at the Price Review.

Although the Welsh Council enjoys good access at the WOAD its input into the NFU's national policy is more difficult to determine. Some members regard it as no more than "a powerless talking shop". Clearly the Council has to work within the constraints of the NFU's centrally formulated national policies and has very limited scope within which to develop specifically Welsh policy proposals.

It is possible to distinguish in the relationship between the WOAD and the two Welsh unions a resemblance with that presiding at the centre between MAFF and the NFU. However, this example of interest intermediation involved two, entirely separate, groups, negotiating on an equal basis. Furthermore, because the WOAD itself has no policy-making autonomy there are further dimensions to this relationships : the role of the WOAD in UK policy formulation and the access of the unions at the centre.

The result of these combined relationships has been the development of a complex system of consultation and negotiation. An example of this is the round of consultations which take place each year to fix HLCA payments. This was laid out by an FUW official:-

"We meet the WO here [Aberystwyth] at Under-Secretaries level along with the Divisional heads and we tell them what we think has been happening to hill farming in the preceding twelve months. We tell them what the implications of that are in terms of their regimes and funding arrangements and then, finally, we tell them what we're looking for them to do for the next twelve months. At the end of the meeting they say "thank you very much, we'll be briefing our Ministers on that basis" and we go away. They then go to the MAFF and so do the guys from the Scottish Office and they sit down with the MAFF senior officials and tell MAFF what the guys in Wales want, MAFF then asks us to go up there and we go and see MAFF senior officials - heads of

their respective divisions up to Deputy Secretaries level - they sit down with us and WOAD representatives and clarify what they've been told by the WO. They throw alternative viewpoints at us from the rest of the UK ... We go back to Aberystwyth. The WO staff brief the Secretary of State and the MAFF staff brief the Minister, they brief him on the English position and they brief him again on the region's position, because he's the Agriculture Minister UK wide ... Then we go and see the Secretary of State to again clarify the position as he's been told by WO staff and MAFF staff. Ultimately the Minister of Agriculture sits down with the Secretaries of State for Wales, Scotland and Northern Ireland and says "what are we going to do" ... They put together their case with other officials and they decide, because its a UK measure on a common line. Together with top MAFF officials, the Minister then goes to the Treasury to bid for the money to pay whatever he's decided he should pay ..." (interview)

As this was told from an FUW vantage point its only half the story as it leaves out the NFU role which runs in parallel with that of the FUW.

This example illustrates well how the unions are consulted at every turn of the policy process. But because the policy is negotiated ultimately at the UK level, the unions in Wales have no opportunity to formulate specifically Welsh policies with WOAD officials: they can only try to ensure a Welsh input into the national policy. An ex-chairman of the NFU Welsh Council pointed out that "any policy that originates in Wales, if it is to get anywhere, the UK unions have to agree to it and then go jointly to Whitehall really before it gets into the policy". (interview)

It is accepted practice that, although they can consult with the MAFF, the Welsh union go first to the WOAD. As the previous respondent put it "etiquette would rule out going straight to the Minister". Therefore, both unions have, through necessity, built up

close working relationships with the WOAD. From this, both 'sides' attempt to gain mutual advantage.

For the unions, the main advantage of a Welsh agricultural department lies in the easier access to the policy process that the department provides. According to an FUW staff member

"its a damn sight better in simple personnel terms, which are a major part of politics, to have people on your doorstep rather than five hours travel away. We get to know the people in the Welsh Office here and they tend to bat our wicket for us because they live out here in the sticks as well ... they feel that people in London are so far away from it that they don't know what the real world's all about ... they get fired with the same kinds of notions and emotions that we're basically all about ... They are there to lobby for us on the inside ..." (interview)

A similar view of the WOAD/union relationships is shared by WOAD officials. As one said:-

"they [the unions] see their role now as an interpreter of government policies and interest in what farming is all about and what farming ought to be doing; equally they see their role as the mouthpiece of farmers' interests and bringing the attention of government to the particular problems facing the farming community ... We want them on our side when implementing policies ... basically, we've got the same objectives as they have - promoting the interests of the farming community". (interview)

These comments indicate a common perception on the part of both the unions and the WOAD on the role of each. The unions help the WOAD to shape its "departmental view" which is then brought to bear on the national policy process. This departmental view, in turn, shapes the kinds of policy proposals that the unions know are achievable and therefore constrains the demands they will make. However, it is important to bear in mind that it is the unions' leadership which is incorporated at this level. As an ex-President of the FUW put it



"the relationship between myself as leader of the FUW with the government is hellishly important. The closer you can get to the official thinking the better it is. We were telling them things in private that we would not dare say in public because the leader of the organisation has to look further ahead than the rank-and-file". (interview)

The incorporation of the union leadership in this way can lead to tensions with the unions members in situations where the policy outcomes do not fully address the grievances of the majority of farmers. At times this has led to outbreaks of conflict which the unions have been powerless to contain (see next section). Perhaps more significantly, the incorporation of the unions into these kinds of policy communities shapes the demands they make on the state. The FUW provides a good example here.

The FUW began its life proposing a policy which would enable the small farmer to survive under a regime which disproportionately rewarded large farmers. The Union condemned "any legislation which forces a farmer through economic pressure to give up his farm ..."  
(FUW 1958). Small farmers were leaving the industry, the FUW argued, not because they were inefficient but because their initial disadvantages were being further emphasised by grant and subsidies making the pressures upon them unbearable. Farming should be efficient, the union argued, "but the standards of measuring efficiency must be laid on the foundation of the family farm and not on the basis of tycoonery where capital has been accumulated from sources outside agriculture. To be big and to be efficient are not synonymous" (President of the FUW quoted in CN June 5 1964).

This concern for the small farm led into a wider concern for the Welsh rural areas:-

"As more and more families and young people leave the rural areas the increasing number of old people remaining there have to be cared for by a gradually shrinking predominantly middle-aged productive population. Such an imbalance in population age groups adversely affects the rural economy, so that great injections of state financial assistance are needed to maintain essential services and to encourage new industries. An impoverished area, having poor lines of communication and low amenities cannot attract new industrial development, such as is needed to draw in more people to work and live in the area and which could be more expensive to establish than it would have cost to prevent deterioration of the position in the first place". (FUW 1975, p30).

In these ways the concerns of the FUW were quite distinct from those of the NFU. The NFU, as a centrist, England and Wales organisation, found regional and wider rural concerns difficult to integrate into its espousal of a uniform agricultural policy. Equally, as the representative of the whole farming community the NFU could not clearly identify and concentrate upon the concerns of small farmers. By contrast, the FUW could highlight all these concerns and build them into the centre of its policy demands.

In recent years however, the distance between the FUW and the NFU has narrowed considerably. Notwithstanding the assertion of an FUW official that "we have always been a radical organisation ... we were a splinter and yet we've got a certain amount of establishment kudos ... we're able to balance off a fairly difficult tightrope act" (interview), both unions work within the policy parameters of the state. As a result the FUW became less concerned with the overall direction and wider effects of agricultural policy and became more

closely involved in negotiating over the levels of support, prices, headage payments, etc. 'Insider' status entailed the organisations following the practices of consultation and negotiation which the existing policy procedures demanded. "Part of the mode of negotiation is to translate large unbargainable conflicts into small negotiable items" (Jordan & Richardson 1979, p102). The price the FUW paid was the ability to stand outside the policy process and to challenge the whole thrust of the policy. Concern over the exodus of small farmers and the plight of the wider rural community had necessarily to give way to much narrower negotiations concerned with technical 'fine tuning' of the policy.

In general, this was the main function of incorporation. The unions could present a set of demands to which WOAD policymakers, themselves constrained by national policymakers, could respond. While they gained ready access to the institutions of policy-making the unions had to be prepared to "speak the same language as the policymakers" .

This is a familiar practice with the British state:-

"there is a natural tendency for the political system in Britain to encourage the formation of stable policy communities, one of the primary purposes of which is to achieve a negotiated and stable policy environment. The underlying value is that, whenever possible outcomes should be negotiated between policy professionals with each participant fully aware of the needs and desires of fellow members of the policy community. This is not to suggest that there is an absence of conflict, but that conflict is, by agreement, kept within manageable bounds, if only by concentrating on issues which are susceptible to bargaining" (Jordan and Richardson 1987, p181).

The WOAD, the NFU and the FUW form such a community. Union leaders

and state officials define what is possible and what is necessary for Welsh agriculture. But the policy community can only be maintained if all its members speak the same language, see the world in compatible ways, and agree on the necessary solutions. At times however, the people they represent rudely impose their demands on this carefully managed process of 'negotiation'.

### Section 3 - Failures of incorporation : Welsh farmers and direct action

In order for the Welsh unions to appear worthy of partnership with state institutions they had to abide by the 'normal' channels of negotiation and consultation described in the last section. Sponsorship of direct action by their members was therefore to be avoided. Nevertheless there have been instances when the representation on behalf of Welsh farmers by the union elite failed to meet the grievances of the farming community. In recent years there have been two main instances of this, both of which led to militant action being taken : the 1974 beef crisis and the introduction ten years later in 1984, of milk quotas. We shall look at each in turn.

#### (1) The 1974 Beef Crisis

In 1974 the incoming Labour Government inherited a period of transition for British agriculture from the deficiency payments system to the new EEC support system. For beef, the system of guaranteed prices and deficiency payments had been removed with the view to its replacement by the intervention system.

Fred Peart, the new Minister of Agriculture took the view that the intervention system operated by the EC was not desirable and secured an option not to use it (Hansard May 8 1974, Vol 873, Col 419). Consequently no beef was taken off the market and no system of

support operated. At this time feed and energy prices began to escalate and many beef producers found themselves in the midst of a price-cost squeeze. They began to lose substantial amounts of money - £20 on each animal sold according to one estimate (Ibid Col 433).

In the face of such losses, and with little response forthcoming from the government, Welsh farmers became extremely agitated and by early summer there were reports of demonstrations by Welsh beef producers, castigating not just the government but also the NFU (CN June 21 1974). There was little response however and by late summer the frustration had deepened with demonstrations becoming nationwide (CN Sept 20 1974).

By October, the situation had worsened and demands for further direct action were made. Anglesey NFU sent a telegram to the NFU President, Sir Henry Plumb, calling for a demonstration in Downing Street (DP Oct 21 1974). On the same day 300 Welsh farmers picketed Holyhead docks to prevent Irish cattle from being imported into Wales. With prices so low that many farmers faced losses of £25 per head (DP Oct 31 1974) the importation of (subsidised) Irish beef became the focus of Welsh farmers anger. It was to prevent these imports that the direct action took place.

Over the following few days picketing spread from Holyhead to Birkenhead and Heysham. The following week saw further picketing at these three ports and at Fishguard where about 120 farmers tried to prevent container wagons loaded with beef from leaving the port (DP Oct 31 1974). Demonstrations continued throughout the week with one

farmer arrested at Birkenhead. At Holyhead 12 farmers walked down a railway line to delay the Holyhead-London train (DP Nov 1 1974).

These activities continued into a third week with the biggest demonstration taking place at Holyhead where around 1500 farmers picketed. There were also protests at Barry and Birkenhead (DP Nov 5 1974). Large numbers of police were drafted in to guard the Holyhead railway line through Anglesey (DP Nov 7 1974).

At the end of a third week of farmer militancy the Welsh NFU called for a truce in the "hostilities" while the Agriculture Minister, galvanised into action by the demonstration, sought a solution in Brussels (DP Nov 14 1974). With the Minister's announcement on the 21st of November that a supplementary premium payment and a limited amount of intervention would provide a 'floor' to the beef market (Hansard Session 1974-75, Vol 881 21 Nov 1974, Col 536) the most sustained piece of direct action undertaken by Welsh farmers in the post-war period came to an end.

Essentially the action was taken by rank-and-file union members organised into 'action groups'. Members of both the NFU and the FUW were involved. The initial action came from local NFU branches in North Wales, with officials here giving 'unanimous' support to the demonstrations (DP Nov 1 1974). Likewise, the NFU's Welsh Council sanctioned the action as long as it abided "by any legal means" (DP Oct 26 1974).

The leadership of the NFU however was not prepared to condone the

militancy. Sir Henry Plumb, the NFU President, said that he was prepared to cooperate with the FUW in securing government action to solve the crisis but insisted that the NFU could not recommend the use of direct action such as that at the Welsh ports (DP Oct 29 1974).

Having not yet achieved recognition, the FUW leaders were less restrained. Although they were "not prepared to give official support to the blockade of Holyhead if their cattle are simply going to be diverted to other ports in the country" the union offered to blockade all the ports in Wales if the NFU would do the same in England (DP Oct 24 1974).

Clearly the activities of these farmers hastened the search for a solution by both the NFU leadership and the MAFF. As a union activist put it "they knew well enough what the position was, it was getting out of hand and they were very concerned about it ... if there had not been the political outcry and pressure I don't suppose the government would have acted". (interview)

While militant activities by farmers were sanctioned at the local and regional level the union leadership (in this case the NFU) remained aloof, concentrating its efforts through the usual channels of representation. In this instance a solution was found and the farmers demands were met perhaps because they were asking for a straightforward policy proposal to be implemented. This did not involve the policymakers straying outside the established parameters of agricultural policy. In our second example, however, farmer



militancy elicited absolutely no change in the policy. The issues in question here were less easily dealt with by a policy which itself was moving into crisis and could not deliver what many Welsh farmers were demanding.

(ii) Milk Quotas and direct action

The decision to impose the milk quotas regime in April 1984 was taken very suddenly by the Council of Ministers and the agreement of the UK Agriculture Minister, Michael Jopling, appeared to derive not from the agreed UK negotiating position but from the exigencies of negotiations in Brussels<sup>(4)</sup>. Consequently both the WOAD and the unions were taken completely by surprise.

The package of measures agreed in Brussels met an immediately hostile reaction in Wales. The FUW President, T Myrddin Evans protested that "the settlement would condemn Welsh milk producers to a dramatic decline in income and living standards" (WF April 1984) and estimated that they would cost the industry in Wales £23 million (CN March 30 1984). The NFU claimed hundreds of dairy farmers would be driven out of business (CN April 1984).

One of the problems facing the FUW was that it had already been calling for the introduction of quotas. "An individual quota system beyond which a supplementary levy would apply would be the most equitable system of controlling surplus milk production and would give the average sized producer the best possible chance of surviving

the crisis" (CN May 1 1984). The main quarrel the FUW had with the Commission was the speed with which the quota had been introduced. They argued that a transition period should have been granted to allow farmers to prepare themselves for the quota (Ibid).

For many farmers, the quota system itself was unacceptable and they showed themselves unwilling to sit back and wait for the unions to negotiate a way out of the crisis. Direct action was quick in coming. In Newcastle Emlyn two farmers publicly poured hundreds of gallons of "excess" milk down the drain (CN May 4 1984). Milk supplies destined for the MMB creamery at Felinfach were contaminated and wheel nuts were loosened on MMB milk tankers (CN May 11 1984).

The FUW leadership, now 'inside' the policy process, took a hostile attitude towards these actions. The President condemned them, saying "we are facing a serious situation ... The only way to get over it is to negotiate our way out of trouble ... I cannot see that throwing milk down the drain is going to help anyone" (CN May 18 1984).

Anger at quotas continued to grow. This was clearly in evidence on a visit Michael Jopling, Minister of Agriculture, made to Wales in May 1984. On his arrival at Llangadog near Llandeilo, in Dyfed, where he was to address local Conservatives, he was greeted by about 300 farmers demonstrating over the imposition of quotas. Mr Joplin gave a brave speech under the circumstances. He claimed that the Common Market agriculture agreement introducing milk quotas "had not been a bad deal" for Britain and the British government had been able to "kill off" proposals from other countries which would have made the

deal "worse". These included : an intensive levy on large holdings (as Britain had a greater proportion of larger farms than the other countries this would have hit 6 or 7% of "our larger and more efficient operations"); and exemption for small farms (which would have been "bad business" for Britain as it had a smaller percentage of these) (CN June 1 1984).

The demonstrators responded by sealing off the village with trucks and tractors and for two hours prevented the Minister from leaving. He was eventually "released" after he promised special considerations for small farmers in the following year. One farmer sprayed 850 gallons of "worthless" milk from his slurry tanker and others opened the valves on half a dozen bulk milk tankers waiting at the local creamery (CN May 25 1984).

Unlike the 1974 action which was largely spontaneous, the milk quota protests were coordinated by the Dyfed Farmers Action Group. The Group recognised, as one of the leaders put it, that "the only purpose of direct action is to get the press and media there to get your points across" (interview). They concentrated their efforts therefore on publicity-seeking activities, such as disrupting the milk race outside Aberystwyth by blocking the road (CN June 8 1984).

Probably the most significant strategy pursued by the Dyfed Farmers Action Group was their attempt to link the struggle against quotas with the 1984-85 miners strike. As an action group member said "there was no way we were going to be able to grab any sort of

headlines while the miners strike lasted regardless of what you did in terms of direct action ... The obvious thing to do was to use the mining situation to your own ends. So we took milk to striking mining families". (interview)

This "milk run", transporting milk from the rural areas of Dyfed to the mining communities in the south, lasted for around six weeks and involved approximately thirty farmers. The strategy was to try and link up the fight over communities, ie. the mining community and the farming community were both to be seen as fighting unjust government policies which sought to destroy them.

The milk run eventually fizzled out due to a hot summer and the possibility that farmers would be well under the quota. There was therefore no surplus milk to donate.

By late summer the whole campaign against quotas ground to a halt. Although the Action Group announced plans in October to step up the campaign and extend further its links with the trade unions (CN Oct 5 1984) little came of this. As a group leader said "it was a mood that existed at that particular time and we exploited that" (interview). By late summer farmers having achieved no policy changes, began to concentrate on living within the quota system : this spelt the end of the militancy.

This campaign of direct action achieved little in terms of concrete results. The quota system after its implementation, never for a

moment looked like being withdrawn. An FUW official, present at many of the unions negotiations with government at this time, said:-

"I think things were so fixed in those days that it was like knocking your head up against a brick wall. We managed to achieve so few concessions in all honesty. They would not alter anything for a year anyway because they were so busy trying to make the rules and get the scheme working that they had not got time for anything else ... I think for the first year there was no way that we were going to get any alterations or any sense out of them at all whether the Dyfed Action Group were doing things or not". (interview)

(iii) The Failure of Incorporation : the Welsh Unions and the crisis of agricultural policy

Welsh farmers have showed themselves to be particularly disposed, in the UK context, to the use of direct action in support of their demands. While it could be maintained that they have merely learned these tactics from their colleagues on the continent the question still remains why Welsh farmers should undertake these activities. Part of the reason surely lies in the social 'make-up' of small and medium sized Welsh farmers, imbued with some sense of being Welsh. Imagining English farmers taking milk to striking miners strains credulity. Yet for a short time the Dyfed Farmers Action Group was able to convincingly articulate the 'twin concerns of these two diverse communities in terms of their common 'Welshness' and sense of 'community'.

These activities, however, took place at particular times of crisis and by no means characterise the standard method of practising agricultural politics in Wales. In fact, those who are normally

active in representing farmers interests tend to disparage such militancy. As an ex-President of the FUW put it "we don't encourage that sort of thing. When it happens it shows failure on the part of the leadership". (interview)

The normal practice is for policy issues to be resolved by this union leadership behind closed doors with state representatives. Here the minimum of publicity is sought while this 'elite' negotiates over the details of the policy.

However, the indications are that this situation will no longer be so cosy. Milk quotas marked a turning point in this respect. The crisis of agricultural policy, (persistent surpluses and an ever expanding agricultural budget) forced radical action to curb expenditure. Despite NFU opposition to quotas and deep FUW misgivings over their introduction they were able to do nothing to change the policy. Milk quotas would seem to be just the beginning. The whole approach to agricultural policy from the UK government and the European Commission is characterised by a desire to 'get back to the market place, in effect to rein in state expenditure.

This crisis poses two problems for the unions. First, declining membership. Where farm incomes are falling, farmers may be more unwilling to fork out union subscription fees. The NFU has already been forced, through a shortage of cash, into a major reorganisation, cutting the size of its headquarters council from 150 to 100 and pruning its committee structure down by a third (FG Nov 28 1986). It seems probable that the FUW will have to follow suit. Second, with

all sectors of agriculture beginning to feel the squeeze the traditional conflicts between 'corn' and 'horn', and between large and small farmers may become increasingly unmanageable. The NFU already faces dissatisfaction over its small farms policy and the thorny question of splinter groups in its ranks has reappeared (FG Jan 29 1988). How well the union will be able to manage these conflicts remains to be seen, but the likelihood is that as the squeeze continues such outbreaks will become more frequent. This may of course open the way to the establishment of a united Welsh union.

On this second problem the FUW is in a slightly different position. The spread of its membership across sectors is much narrower, embracing mainly milk, sheep and beef. While there will undoubtedly be some tension here it is unlikely to place the FUW in too compromised a position.

Furthermore, the FUW can more readily appeal to the socio-structural attributes of its membership. As one official explained:-

"instead of saying he's a sheep farmer and he's a dairy farmer and , they have conflicting interests, we say 'look boys, we're all small farmers or we're all family farmers and our interests structurally and regionally are the same. If the worst comes to the worst we can back it up with the nationalist argument that we're Welsh farmers. So we've always had a safety valve for that sort of tension" (interview).

The FUW appears to be playing it this way at the present time while also trying to re-emphasise wider concerns for the Welsh rural areas and the role of family farming within the community. Its leaders recently called for the formulation of a "rural development plan" for

Wales, embracing both farming and the wider economy (WF, June/July 1988). How successful it will be here remains to be seen.

Traditionally, the strategy of the unions has been almost solely concerned with getting inside the policy process to ensure that their demands were fully integrated into the policy. This mode of operation may have run its course. The external pressures bearing upon the agricultural policymaking institutions suggest crucial changes in the whole direction of policy are imminent.

Although the unions may be able to gain limited modifications in these policies they will not be able to prevent them coming into force, as milk quotas showed. It seems therefore that the unions are locked into a mode of representation from which they cannot escape but which ultimately may render them impotent. Their incorporation may serve merely to legitimise policies which weaken and marginalise Welsh farmers. As one of the leaders of the Dyfed Farmers Action Group commented in reference to agricultural policy reform,

"all this kind of thing is a convenient blind alley, it can fit into the overall plan to get those of us who are left down here to be a 'reservation', a nice sort of tourist attraction. It's precisely because of that that we're carrying the battle on. We want to maintain a thriving broad based agricultural industry here in Wales. There's a damn sight more at stake than a few farmers going bust ... You cut back the agricultural industry and you've literally destroyed whole communities in Wales". (interview)



## Conclusion

As we have seen, for most of the period Welsh agriculture was served by a centrally formulated policy which did little to recognise anything distinctive about its situation. The pressures for more autonomy led to the creation of WOAD. The WOAD and the Unions together established a view of Welsh agricultural needs. This did not result in the formulation of a Welsh agricultural policy but in a list of demands which were then negotiated at the centre. The WOAD was at the interface between the central department, the MAFF, and Welsh agricultural interests, the unions. It acted not only as the voice of Wales at the centre but also as the voice of the centre in Wales. It sustained this dual role by carefully managing the kinds of demands being made upon it from within Wales; the incorporation of the unions and their willingness to share a common perception of Welsh agricultural needs allowed this management process to proceed.

For the unions, their incorporation at both the centre and at the Welsh level was double edged. When the policy outcomes were relatively benign in their effects they were able to manage their dual role as the voice of the industry with that of 'partners of state'. Where policy outcomes were deeply unpopular with their members union leaders found themselves in a compromised position. Despite such tensions however, incorporation is addictive; groups accorded such status are unwilling to voluntarily give it up. But it is now questionable whether the old patterns of incorporation can survive the current crisis. Other institutions and groups compete in a changed political and economic climate for hegemony over the rural areas of Wales. Farming interests therefore must rethink their old strategies. But

their ability to do so is hampered by their customary mode of representation and the kinds of concerns into which they have been, willingly, co-opted. Agricultural policy has been formulated and implemented in isolation from other state policies in Wales. It has been concerned solely with increasing agricultural productivity at the expense of rural communities. It remains to be seen whether the unions, in partnership with the agricultural institutions of the state, can discover these wider concerns and convincingly articulate them.

#### Notes

- (1) "The departmental view consists of general attitudes or beliefs about policy which have developed over the years in a department as a result of its experiences, past cases or reactions to policies, and the constant dealings with interest groups in the departments' field" (Budge et al 1988, p33).
- (2) The Welsh NFU's original documents were published in this edition of the FUW.
- (3) These points are derived from the private notes of E Bennet Owen to whom I am indebted.
- (4) More generally, Grant claims that to obtain access to senior civil servants the group must show itself prepared to talk their language, to bargain and accept the results of the bargaining process (1984, p132).

## CHAPTER 6 - STATE AGENCIES IN RURAL WALES AND THE SCOPE FOR 'INTEGRATION'

In chapter four we examined the development of agricultural policy in Wales. This policy, or more strictly speaking, bundle of policies, carried all before it and effected deep and permanent changes in the Welsh economic, social and natural environment. Where other, non-agricultural concerns were acted upon they did not dislodge the central tenets of agricultural policy and were often sidelined by the relentless march of agricultural support systems.

In chapter five we saw how this situation arose from, and sustained, a strong relationship between dominant farming interest groups and the agricultural agencies of the central state. This institutional nexus of MAFF, WOAD/NFU, FUW was able to effectively counter any opposition to these policies and exclude all other interests from the decision-making process.

For most of the post-war period the strategies pursued by this policy community were successful to the extent that huge sums of expenditure were channelled into the agricultural sector consolidating the hold of these groups over policies for the rural areas. Although the policy had recognisable side effects which were damaging to the social and environmental fabric of rural Wales agriculture was accepted to be the basis of the rural economy; therefore, what was good for agriculture was good for the rural areas as a whole.

Recently however things have begun to change. The 1970's saw the growth of a sustained environmentalist critique of agricultural policy and farming practices (see, most notably, Shoard 1980 ). In conjunction with this the excesses of the CAP became widely publicised (see for instance Body 1982) and the Community budget was driven to the edge of bankruptcy. By the early 1980's the agricultural policy community was "under seige" (Cox et al 1986b).

This crisis of agricultural policy had therefore, two dimensions, internal and external. The growth of surplus production and the ever increasing size of the guarantee section of the Community budget flowed from the internal workings of the policy itself. By guaranteeing prices for most farm production farmers were encouraged to overproduce. As we have seen, various policy devices had to be implemented in an attempt to check surplus production. The perception of agricultural policy as environmentally damaging, grew into an effective external pressure on policy makers. Agriculture came to be seen as a threat to the environment (NCC 1977) and there were concerted attempts to curtail damaging farming practices.

These two dimensions of the crisis necessitated different responses from the agricultural policy community. On the one hand there were moves, although hesitant and partial, to reform the internal workings of the policy; to move away from the production of agricultural commodities per se. On the other hand attempts were made to reassure environmental interests that agriculture was not necessarily, or wholly environmentally damaging. A measure of accommodation of environmental concerns with agricultural support began to take place.

These attempts by the agricultural agencies and the farmers unions to confront the crisis are still in the early stages of development and it is not entirely clear where, for instance, a full scale reform of the CAP would leave the whole concept of 'agricultural policy'. However, it is apparent that the agricultural policy community has recognised that a 'productionist' policy can no longer be sustained and in recent proposals the shape of future approaches can be discerned. But whether a new, and fundamentally different, approach to the Welsh rural areas is on the horizon cannot be gleaned from policy proposals alone. Account must be taken of the institutional 'complex' involved in this reorientation. The present conjuncture may see some kind of recomposition within the state apparatus amongst those agencies concerned with the rural areas. Equally, institutions which are already dominant in this policy arena may be able to consolidate their position by adapting to these changed circumstances.

In what follows it is proposed to analyse the changing roles of these state institutions and to examine the likely shape of the institutional 'complex' of the near future. It should then be possible to roughly measure how far the recent 'statements of intent' by policymakers may be realised in practice.

The importance of pitching the analysis at this level was indicated in a comment by a Countryside Commission official in Wales who said "the way in which the various bodies in Wales are structured is variable for reasons which seem to me to be unclear, owing more to history rather than any attempt to establish various bodies which all look the same and operate in the same way" (Interview).

The various histories of the agencies will therefore be sketched out and an attempt will be made to define the momentum behind their development. This will enable us to draw out the scope for integration and the likely extent to which their objectives could be married into a coherent strategy.

(i) The Countryside Commission (CC)

We begin by looking at an institution which has put itself at the centre of the movement towards integrated policies for the countryside.

The CC was formed by the 1968 Countryside Act coming out of what was previously the National Parks Commission. It inherited therefore overall responsibility for the National parks and also the ability to designate Areas of Outstanding National Beauty (AONB), and Heritage Coasts. Its remit was expanded beyond these functions to the encouragement of enjoyment of the wider countryside by the general public and the provision of facilities enabling them to do so. It was charged with keeping under review matters relating to amenity, recreation, access and research on countryside issues. The Commission was also enabled to give grant aid to private bodies to assist them in the carrying out of approved projects (HMSO 1968).

Section 3 of the Act stipulated the appointment of a Committee for Wales to advise the Commission on its work in the region. This Committee was by no means able to act autonomously. Its members were chosen by the Commission in conjunction with the Secretary of State

for Wales. The Commission "delegated" to the Welsh Committee much of the day-to-day work covering the promotion of conservation and recreation in Wales, but reserved such functions as research and, most important, policy-making at the centre (in England). The stated reason for this was that it enabled the formulation of a "common policy" for both England and Wales (CC 1976, Appendix 1a).

As the CC was initially part of the civil service, attached to the Department of the Environment (DoE), expenditure in Wales came through that department, not the Welsh Office.

In 1973 an Office for Wales, headed by a principal officer was opened. Staffed by DoE personnel its function was to serve, on a day-to-day basis, the Committee for Wales.

During the 1970's the issue of autonomy for the Welsh 'branch' of the CC surfaced in the context of the devolution debate. The Labour government put forward proposals aimed at separating the English and Welsh Commissions, thus establishing a Welsh CC answerable to the proposed Welsh Assembly (HMSO 1976). This was strenuously opposed by the CC at the centre. The main reasons put forward for this opposition were that the proposal would jeopardise the whole concept of a "common" policy and would also lead to a duplication of research and therefore, a misallocation of resources (CC 1977, Appendix 1).

Although there arguments could equally have been applied to Scotland, where a separate CC had been established, Wales was regarded as different because it does not share with Scotland a distinctive legal

system affecting, in particular, land tenure. Furthermore "the flow of people across the Welsh border ... is almost certainly much greater than the number crossing to and from Scotland" (CC 1976, p4). The implication was that Wales did not need a separate Commission because it was not sufficiently distinct from England.

In the event, the devolution proposals failed and the status quo prevailed. But the arguments put forward at this time were instructive as they reveal the desire of the CC for a common policy for England and Wales and the notion that this had to be centrally directed.

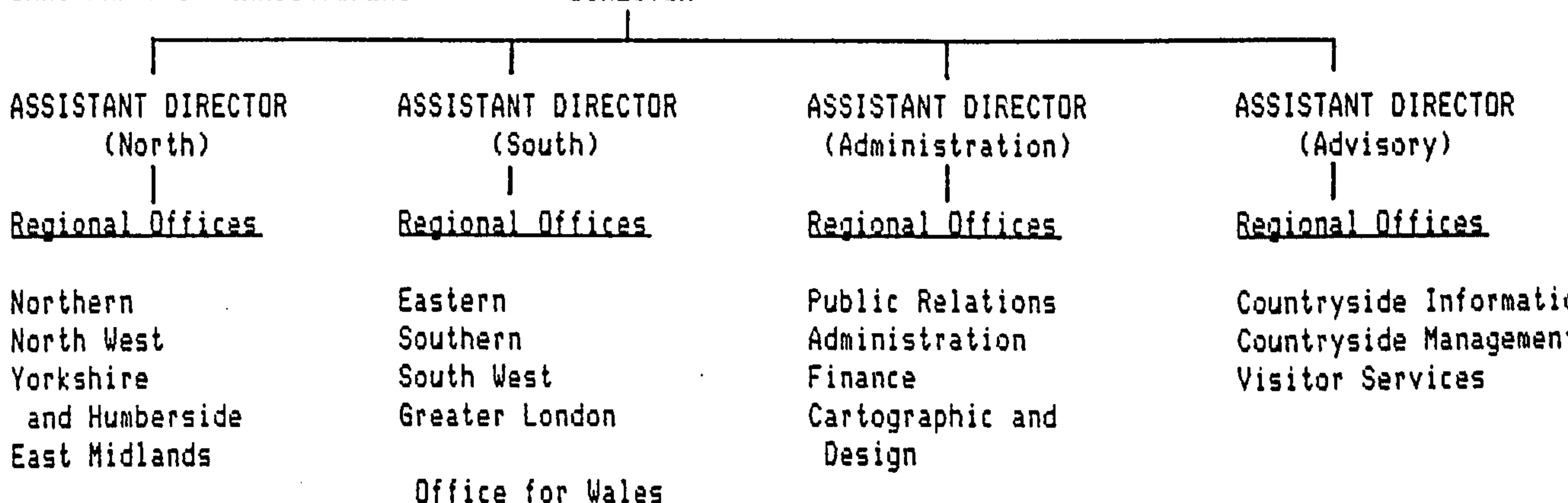
The most significant change in status for the CC came with the Wildlife and Countryside Bill of 1981 when the Commission was granted what it had sought almost since its establishment - independence from the DoE. It became a public body independent of the civil service. This allowed the CC the same status as the Nature Conservancy Council (NCC), giving it the ability to appoint its own staff and act (at least formally) as an autonomous public agency.

Within the CC the structure remained unchanged and the position of Wales remained subsumed under the England and Wales umbrella. As the diagram below shows the office for Wales was equivalent to a regional office.



## CHAIRMAN AND COMMISSIONERS

## DIRECTOR



(CC 1979, Appendix 13)

Restrictions on the number of staff meant that the regional offices were often staffed by no more than four officers (Between 1978 and 1983 staff numbers in the CC fell from 124 to 93) (CC 1979, 1983). The Office for Wales was slightly better served with seven members. However, given the size of the area under its jurisdiction the Welsh Office was clearly constrained in what it could achieve.

The CC in Wales tried to develop a particular role for itself. It initiated for instance, closer links between the various rural agencies in Wales including the WO (CC 1979, p91), the WDA (CC 1981, p15), the NFU, FUV and CLA (Ibid p62). It tried to develop a coordinating role between farming interests and amenity and conservation bodies.

This was practiced most notably through the 'Wales Countryside Forum' which brought together the main farming, forestry, conservation and recreation bodies in Wales. The Forum was established in response to the land use conflict in the Berwyn Mountains (see Lowe et al 1986, pp209-229). It was a twice yearly meeting structured around

particular issues. In the view of a CC officer in Wales, it functioned as a "structured talking shop" allowing the various interests an arena within which they could debate matters of concern (Interview).

Bearing in mind the difficulty of separating policy formulation and implementation - "there's a fairly grey area here between what we actually do week to week, month to month and the question of policy" (Ibid) - it is hard to see how, under the present structure the Committee and Officers for Wales could begin to formulate a policy specifically to address the needs of Wales.

In the context of a changing agricultural policy, and especially the introduction of ESA's in which the CC in Wales played a considerable part, it is perhaps not surprising that calls for a more autonomous Welsh Commission have resurfaced. In July 1988 the FUW's Land Use Committee called for the establishment of an independent CC for Wales on the grounds that Wales had more conservation and environmentally designated areas than any other region of the UK and therefore needed its own organisation (CN July 15 1988).

It has been argued that public bodies such as the CC act as a channel for environmental pressure away from the main departments of state. Furthermore, such agencies are regarded, within these central departments, as little more than environmental pressure groups. The effect of such attitudes on the agencies is to induce them to behave 'responsibly' - to temper the demands made by environmental groups

and to internalise the constraints which government regards as salient" (Lowe and Goyder 1982, p67). The Commission therefore positions itself somewhere between central state institutions and private pressure groups and has to try and maintain its credibility with both. It is in the CC's interests to minimise the conflicts between the public and private agencies. One way of achieving this was to aim for an integrated approach towards countryside problems.

The CC must also choose sensitively the kind of voluntary groups it works with. On this issue a CC officer said "I think one has to take a fairly honest political approach. If we were to have a close relationship with bodies like say; Friends of the Earth, that is the sort of relationship which might make other relationships a bit more difficult" (Interview).

Because the CC is small in staff and resources it is dependent on the private groups to monitor landscape and environmental changes.

Typical of the kind of groups considered responsible by the CC is the Council for the Protection of Rural Wales (CPRW).

The CC and the CPRW

The CPRW was founded in 1928 and its structure was based on the old county system. It had therefore thirteen branches and a membership of around 4,000. It aimed "to secure the protection and improvement of rural scenery and amenities in the Welsh countryside" (CPRW Newsletter, Autumn 1973). Being a long established, "sensible",

environmental group, the CPRW was an acceptable partner for the CC. The CC grant aids a permanent official at CPRW headquarters and in return the CPRW's local membership monitors such issues as development control.

It seems unlikely that the CPRW would push the CC into the kind of conflictual relationship with central state departments that the CC is anxious to avoid. Furthermore "consultative status is gained and maintained by adhering to an unwritten code of moderate and responsible behaviour" (Lowe and Goyder op cit, p66). Therefore the CPRW must carefully manage its own constituency.

The social background of the CPRW's membership will, in the main, ensure that confrontational politics are avoided. In particular, the farming lobby is well represented within the CPRW. As an ex-Director explained "through our committee and branch structure, the farmers unions, the CLA, they've represented ... We've never had an abrasive relationship with them because of our inter-mingled committee/membership links" (Interview). With members of its conservation constituency closely tied to the farming lobby the task of achieving some measure of consensus between farming and conservation interests is made much easier for the CC.

This is not to argue however that there is a complete absence of conflict within the CPRW. Strains within the organisation occasionally show as factions compete to steer the organisation. For instance, in early 1988 the editor of 'Rural Wales', the CPRW journal, resigned, claiming that

"the CPRW is subservient and almost sycophantic to government agencies and bodies and this attitude means that any worthwhile aims in conservation cannot be obtained. It is paid thousands each year by both the Countryside Commission and the Welsh Office which leaves them not wanting to rock the boat and not needing to recruit new members" (CN April 22 1988) (1).

This isolated incident indicates that strains exist within the CPRW but for most of the time these are manageable. Consequently, the CC finds the demands made upon it from the conservation 'side' do not conflict so obviously with the demands thrust upon it from other, more powerful state agencies. This allows the Commission to further 'consensus' in the countryside and to minimise conflict.

(ii) The Nature Conservancy Council (NCC)

Alongside the CC, the other statutory conservation body is the NCC.

Originally the Nature Conservancy, it was established in 1949 and given the task of advising government departments on conservation and the control of natural flora and fauna within the UK. It had the power to establish and manage nature reserves (NNRs). In addition, the Conservancy had an obligation to notify Sites of Special Scientific Interest (SSSIs) to local planning authorities. Notification of such sites imposed no legal obligations on owners or occupiers of such sites (this remained the case until the Wildlife and Countryside Act 1981 - see above Chapter Four, Section Four). The NC could only obtain the voluntary cooperation of farmers and foresters in the way SSSI's were developed, although local planning

authorities were legally obliged to consult the Conservancy before consenting to any development on such sites (NC 1968, p11).

In its early years, the NC operated through a regional structure (Wales was divided into two regions, later three). Imposed on this structure were the Committees of the three countries (England, Scotland and Wales). The Welsh headquarters were established at Bangor. However, as with the CC, policy was formulated centrally by the Scientific Policy Committee (NC 1959, p10).

The remit of the NC was narrowly based and essentially its activities were restricted to certain scientifically designated sites. This was carried through into the Nature Conservancy Council, formed by the Nature Conservancy Act, 1973<sup>(2)</sup>. By the time of the NCC's formation the NC was responsible for around 3,500 SSSI's - 400 of which were in Wales - and 137 NNR's - 29 of which were in Wales (NCC 1974, pp5-7).

The NCC's restricted remit was reinforced by the 1981 Wildlife and Countryside Act which placed a statutory responsibility on the agency to renotify all existing SSSI's (now numbering 4,000 in total - NCC 1983). This became for most of the early and mid 1980's, the NCC's highest priority.

These constraints hampered the ability of the NCC to carve out a wider role for itself. As it argued in 1986:

"the aim must ... be for nature conservation to be recognised as a land-use priority in its own right, to be integrated with other activities such as farming, forestry

and amenity and recreational use ... [the] NCCs ability to make an effective contribution to nature conservation in the wider environment in the last few years has been reduced by its pre-occupation with SSSI's" (NCC 1986).

It is as yet far from clear how the NCC intends to develop this wider role. The danger confronts it that it may be squeezed back firmly into its original remit by the expanding conservation concerns of the agricultural departments. As the NCC is not as well placed as the CC to play a coordinating role it is hard to see how it could expand its range to the wider countryside without straying into the administrative territory of another agency.

By concentrating on a narrow, scientific notion of conservation the NCC has clearly staked out and consolidated its own sphere of operation. There is some evidence however, that this took place not through the agency's own choosing but because

"other land-use interests, such as agriculture and forestry, did not welcome the involvement of the NC in their affairs. The implications for interference in, or adjudication over, policy of those other interests tended to be regarded as territorial intrusions within other organisations' concerns" (NCC 1984, p49).

The problem now for the NCC is that these other agencies, most notably the agriculture departments, have moved to neutralise the environmentalist issues. The NCC seems unable to play anything more than an advisory role in this process.

However, the introduction of new policy measures such as the ESA's may allow the NCC to move into a more central position. By ensuring

that it plays a major role in the implementation of the ESA's the NCC breaks down the distance between agricultural and conservation policies and ensures it has at least some input directly into agricultural policy. It is not surprising therefore that the NCC has called for an extension of the ESA scheme to all the uplands as a way of further harmonising farming and conservation practices (FW May 20 1988).

The CC and the NCC have similar problems. Although both were granted large increases in resources in the early 1980's (the CCs grant-in-aid rose from £5.6 million in 1979/80 to £13.2 million in 1984/85, the NCC's increased from £7.9 million to £18.1 million in the same period (HMSO 1985)) one is still in no position to intervene directly in rural policy-making, while the other can only intervene on a narrowly defined basis.

However, these bodies have been useful to the agricultural departments. They provided a 'channel' for environmental pressures making such pressures more easily manageable, deflecting much of this from the agricultural agencies. Furthermore, the centrally formulated policies of these two bodies allowed state intervention in the rural areas of Wales to push a particular view and practice of conservation which, while embodying few local concerns, limited the potential area for conflict with agriculture. This conflict potential has been further minimised by the adoption of more environmentally conscious agricultural policies. These developments may not necessarily enhance the position of the conservation agencies



however. They may instead find themselves marginalised by the expanding administrative territories of the agricultural departments.

(iii) The Forestry Commission (FC)

The other major contender with agriculture, for land in rural Wales, has traditionally been forestry, under the aegis of the Forestry Commission.

The FC was established in 1919 in the aftermath of World War One at a time when timber was regarded as a precious strategic resource. The Commission was set up as a government department in its own right and divided into two parts; the Forestry Authority, which supervised subsidies, control of private forestry and research, and Forestry Enterprise which bought and planted suitable land and managed the resulting forests (Miller 1981, p11).

The senior officer of the Commission was the Director General, stationed at the headquarters in London. There were four Directors of Forestry: one in charge of research and education, the others being Directors for England, Scotland and Wales (Welsh Council 1957).

The FC organised its work on a territorial basis. The Commission was divided into eleven 'Conservancies' with each headed by a 'Conservator' with a complement of office and field staff. In each of the three countries 'National Forestry Committees' assisted the Commission in the application of policy. The National Committee had

the following duties: the consideration of all proposals to acquire or dispose of land; the management of Commission Land; forest management; the administration of the National Forestry Parks; examination of expenditure and the approval of building schemes on Commission Land (Ibid). However, the day-to-day management of Commission work in the region was delegated to the Director. In Wales the Directorate was located in Aberystwyth and had a staff of approximately fifty (Ibid).

The Welsh Directorate was divided into two Conservancies - North Wales and South Wales. The field organisation of the Conservancies was made up of twenty-four districts under the control of a District Forest Officer (Ibid). Each Conservancy also had a Regional Advisory Committee, charged with overseeing the operations of the FC. These were made up of "representatives" of local interests but were appointed by the Commission (FC 1974).

The FC therefore boasted an extensive local organisation structure within which Wales had exactly the same standing as both England and Scotland. However, overall policy was formulated by three 'Forestry Ministers' traditionally the Secretary of State for Scotland and Wales plus an Agriculture Minister. Moreover, financial control was retained by Headquarters in London the financial allocation being made after consultation with the Directors (Welsh Council op cit). The rationale behind forestry policy changed markedly during the Commission's history. The early strategic concerns received a further boost with the outbreak of World War Two. Consequently, the policy for the immediate post-war period aimed to plant two and a

half million acres in the first two decades (FC 1943, p82). However, strategic arguments were not the sole rationale behind post-war forestry policy; it was also hoped that the policy would increase rural employment (Ibid p48). As the strategic arguments began to lose their salience in the post-war years so the social benefits were emphasised. "The planting of new woodlands brings with it the establishment of new local industries, it follows that there is increased employment, bigger wage-earning capacity and beneficial results for tradesmen and the rural community in general" (FC 1960).

From 1968, the Forestry Ministers were also bound "to have regard to the desirability of conserving the natural beauty and amenity of the countryside" under the terms of the Countryside Act (HMSO 1968). In fact, the Commission had already appointed, in 1963, its first 'landscape consultant', Dame Sylvia Crowe, and by 1967 had modified its objectives to take account of conservation and recreation (MacEwan and MacEwan 1982a, p213).

The first serious critique of forestry policy came in 1972 with an inter-departmental cost-benefit survey, which questioned the economic rationale behind the policy. Using a test discount rate of 10% the study concluded that forestry did not and could not reach this required rate. Furthermore, it concluded, "there appear to be no strategic considerations - defense or commercial - relevant to new afforestation" (HMSO 1972, p80).

The social benefits of afforestation therefore became the main basis for its continuation. However, warnings were being sounded not to

stress too far forestry's role in the rural areas. According to the Secretary of State for Wales, Cledwyn Hughes, "forestry has made and will continue to make a valuable contribution to the rural economy, but we should be wise to avoid exaggerating the scale of the opportunities it can offer for rural employment" (House of Commons, Welsh Grand Committee, April 3 1968).

The mechanisation of forestry production was reducing the required labour force. As the Welsh Council pointed out in 1971:

"Only one man is now needed for 120 acres of forest compared with one man for nearly 80 acres in the 1950's. To those who looked to the forests for an answer to rural depopulation of upland Wales this is a disappointment. The long term forecast that the Forestry Commission would employ some 2,700 persons in Wales in the 1970's is not being realised and the numbers employed have now dropped to some 2,000" (Welsh Council 1971).

The numbers employed in Wales continued to fall and by 1980 only 1,350 were employed, falling gradually to 1,195 in 1983 (Hansard, February 7 1983, Vol 36 Column 621). This in effect meant that "the additional employment provided by forestry only managed to make up some of the jobs ... being lost in agriculture ..." (Harding 1985, p185).

Nevertheless, despite these reservations about continued afforestation the government concluded in the early 1970's that the Commission should still plant up to 55,000 acres a year (FC 1972, p13) and the Commission continued to concentrate on acquiring land in the upland areas of Scotland and Wales on the grounds that in these areas "population is declining and ... the expansion of forestry can

bring considerable social and employment benefits" (FC 1974, p7).

By 1979 the FC had planted 192,000 hectares of conifers in Wales (FC 1979) while it had "dedicated" 37,400 private woodland schemes (Ibid). Ninety six per cent of all trees planted in Wales were conifers (MacEwan and MacEwan 1982a, p213).

By 1980 however, the FC's own planting programme had slowed almost to a half due to successive rounds of expenditure cuts (Lowe et al 1986, p48). The government reduced the yearly planting target to 33,000 hectares and stipulated that only a small proportion of this should be undertaken by the FC, the rest was to be planted privately.

For most of its history in Wales the FC was regarded with suspicion by the farming community and the main areas of conflict over land use in the uplands of Wales were traditionally between farming and forestry (Williams and Harding 1982, p15) (3). The procedure for resolving these conflicts was for all proposals by the FC for acquisition of land to be referred to the agricultural departments. The FC could plant a stretch of land provided no objection was received from these departments (apart from in the National Parks where tighter restrictions were enforced).

In recent years this practice has reduced the amount of conflict and tension between the two main land users. According to an FC official in the Welsh Directorate "there has been no competition between tree

planting and agriculture ... the one has had a veto over the other" (Interview).

The Farm Woodland Scheme (see above Chapter Four, Section Four) signals a change in emphasis between these two types of land use. All proposals under the scheme must still go through the standard procedure meaning continued consultation with the agricultural departments. But as the above FC official put it "I'm not telling you that the formal arrangements have changed. What I'm telling you is that there is every expectation over the next period that you can expect to see land being considered being planted that would have been out of the question ten years ago". The absence of controversy in recent years was "because of the small amount of land coming on to the market to be contended. There's no reason to suppose that will continue to be the case. Whether the network of relationships will be powerful enough to withstand it is an interesting question" (Interview). It may therefore be the case that recent moves to integrate farm and forestry policies could lead to renewed outbreaks of conflicts, between these competing interests.

The FC's relationship with the conservation agencies has been subject to some amount of strain in Wales despite extensive formal and informal contacts between the various bodies.

The most notable conflict took place over the proposal by the Economic Forestry Group (EFG) to plant trees on 1,780 hectares of the Llanbrynmair Moors, granted aided by the FC. The site was described

by the RSPB "as one of the finest moors in Wales, home of 15% of the Welsh golden plover populations as well as dunlin, hen harrier, merlin and greenland whitefronts in winter" (quoted in Lowe et al, op cit pp 217-218). The NCC initially argued against the proposal but in the light of the wider considerations in the Berwyn Mountains dropped its objection (Ibid pp207-229).

The FC was brought into conflict with the CC over another EFG proposal - to plant 400 hectares on the Cnewr Estate in the Brecon Beacons National Park. The CC's Committee for Wales opposed the scheme on the grounds that it went against the purposes of national parks (CC 1979). With no compromise forthcoming the issue went before the Secretary of State who, while modifying the scheme slightly, approved the proposal (MacEwan and MacEwan 1982a, p223).

These two well publicised instances of conflict between the FC (and its client groups) and the conservation agencies illustrate the forestry lobby's willingness to brush aside conservation considerations when financial interests are at stake. The extent to which forestry can be integrated harmoniously with other rural policies must therefore be in doubt. Clearly forestry policy itself needs to be redefined and its objectives need clarification.

#### (iv) The Development Agencies

The diversification proposals recently put forward by the agricultural departments (see Chapter Four, Section Four) seem to

include a shift in focus on the part of these agencies from agriculture per se to the rural economy in general. In Wales however two development agencies exist both with a remit covering rural development although neither has powers relating to agriculture. Diversification within agriculture therefore may lead to some blurring of the distinct responsibilities of the development agencies and the agricultural departments. To see how far this may be realised in practice means looking at how the Welsh development agencies - the Welsh Development Agency (WDA) and the Development Board for Rural Wales (DBRW) - came to acquire their functions and the likely scope for integration with the other state agencies.

The first concerted intervention in the economy of rural Wales came not from the central state but from the county councils. In 1957 the five mid Wales county councils came together to form the Mid Wales Industrial Development Association (MWIDA). The aims of the Association fell into two main categories: firstly, to "sell" mid Wales as a location for expanding manufacturing industry; and secondly, to act as a forum for negotiation between private industry and public bodies (Howes and Law 1973). This was the first attempt to solve the "descending spiral" of deprivation which gripped the region: declining primary industries resulted in low local authority income and depopulation (Mountfield and Watts 1968, p174).

The problem of the region was further highlighted by the Beacham Report of 1964 which suggested the establishment of a new town in the area. To undertake this task the Mid-Wales Development Corporation



was established. It took over the financing and construction of all factories in Newtown.

Contemporaneous with these developments was the Wilson government's plan to establish a Rural Development Board in the area. As we saw earlier (Chapter Four, Section Two) this plan met the outright opposition of the farming lobby who believed it was unnecessary interference in the land market heralding nationalisation by the 'back door'. The scheme was dropped in 1970. The importance of this episode is illustrated by the subsequent restriction of the two development boards created in the mid seventies from having any involvement in agriculture.

The WDA, whose area of jurisdiction was north and south Wales brought together a number of interrelated functions such as: the building and letting of factories; the development of industrial estates; the reclamation of derelict land and the provision of advice to industry (Gray 1976, p162). It envisaged that "the manufacturing sector must be the main basis for prosperity in most parts of Wales" (WDA 1977).

Throughout the late seventies and early eighties the WDA undertook a comprehensive advance factory building programme, completing 812 units by 1982 (Cooke 1987). By this time however the agency had begun to change direction away from advanced factory provision towards more financial investment in private enterprises. It had become particularly concerned to attract 'clean' 'high tech' industries to (mainly south) Wales.

The DBRW (now known as Mid Wales Development) was initially given the task of overseeing the development of the county of Powys and the districts of Merioneth and Ceredigion (the area of the earlier MWIDA). It took over the duties of the Mid Wales Development Corporation in Newtown and the policy of advanced factory provision continued.

The strategy adopted by the Board was to concentrate on a number of key locations (as recommended by Beacham) so as not to "dissipate" resources by spreading them too thinly across the area as a whole. The primary locations were Newtown and five "growth towns" - Aberystwyth, Rhayader, Ffestiniog, Brecon and Welshpool - with a number of "special towns" granted secondary development status (DBRW 1985). By 1984, 328 factory units were in place.

The Board claimed that by 1982 it had created 6,000 "job opportunities" (DBRW 1982) (a figure calculated on the basis of thirty jobs per 10,000 square feet of factory space (House of Commons Committee on Welsh Affairs 1984b, para 165). Estimating the number of jobs actually provided is more difficult. Cooke, for example, could go no further than saying that the figure lay somewhere between these 6,000 job opportunities and the 1,000 net manufacturing jobs created in the area between 1977 and 1982 (Cooke op cit).

These agencies therefore concentrated their energies on the provision of advanced factory units in order to attract manufacturing industry to the region. Despite the provisions of starter units for new businesses from within Wales, the emphasis was on solving the social

and economic problems of the area by selling the region as attractive to footloose industry. They were agencies of 'modernisation' in areas which, as alleged by Pettigrew have "no history of entrepreneurship or industry" (Pettigrew 1987, p104).

Despite the constraints placed on the ability of these agencies becoming involved in agriculture the 'Farming and Rural Enterprise' package (see Chapter Four, Section Four) laid great stress on the activities of the WDA and the DBRW. But the services they offered small businesses, such as 'Small Business Low Interest Loans', 'Building Conversion Grants' and advisory facilities, did not apply to agricultural businesses. The 'Development of Rural Initiative, Venture and Enterprise (DRIVE)' scheme, launched in 1986, making one million pounds available over two years for private investment in tourist, leisure and craft projects, likewise was not available to agricultural businesses. Clearly drawing such boundaries across support measures for rural industries sets limits to the practical possibilities of diversification and the notion of an integrated approach to rural development.

Recently these agencies have become more concerned with agriculture, albeit off the farm. The 'Welsh Food Initiative' saw both agencies giving advice and support for projects aimed at adding value to farm produce (Action for Rural Enterprise in Wales 1987, p5). The DBRW at the time of writing, was involved in two projects - 'Lamb Product Development' and an organic farming scheme. The former was an attempt by a firm of food technologists based in one of the DBRW's

factories to expand outlets for lamb. The latter was a project to assess the viability of organic farming (run in conjunction with the WOAD).

It is important not to overstate the importance of these schemes for the DBRW. As an officer in the agency put it "still the main part of the Board's work is in factory buildings and in industrial provision and promotion. Agricultural involvement is very much a sideline and is by no means a major part of the Board's work" (Interview).

The WDA on the other hand has not committed itself so unequivocally to advanced factory provision and seems to recognise that "it must face the challenges of the Common Agricultural Policy head on if the rural areas are not to suffer significant decline" (WDA 1987, p7). For example, in 1986 the agency sponsored a number of projects in Dyfed, ranging from the bottling of natural water to tourism, which aimed "to encourage and facilitate the birth and growth of new businesses to supplement income from farming" (Ibid p9).

The WDA seems to feel less constrained in its ability to play an active role in rural diversification than the DBRW. However the legacy of the ill-fated Rural Development Board of the 1960's lives on: the WDA cannot involve itself in on-farm diversification, but can only "back up alternative enterprises in the Welsh countryside" (Ibid p7). The farm remains firmly under the WOAD's jurisdiction. Yet in economic terms the on/off farm distinction is becoming meaningless. Politically, however, it is where the agencies of state draw the administrative lines.

(v) The Welsh Tourist Board (WTB)

Brought into being by the Development of Tourism Act 1969, the WTB was established to "promote", "publicise" and "market" Wales as a tourist resort. (WTB 1971).

The Boards headquarters were established in Cardiff where the Chief Executive, four Directors and the majority of the staff were located. A tripartite sub-regional structure within Wales was set up (north, south and mid Wales). Each region was guided by a Tourism Council, made up of local authority and tourist industry members, the chairmen of which were approached by the Board (WTB 1977). Council offices for each region were established at Colwyn Bay, Machylleth and Carmarthen. The day-to-day running of these offices was supervised by a Regional Tourism Manager with a small staff.

The majority of the Boards' work was to publicise Welsh tourist facilities in Britain and overseas. It engaged in such activities as the distribution of promotional material to travel agents throughout the UK; the establishment of around fifty Tourist Information Centres; the persuasion of tour operators to package holidays in Wales and the building up of registers and categories of Welsh accommodation enterprises. The Board also intervened more directly in the industry through the provision of grants for the improvement of facilities. Until 1973 it operated a Hotel Development Incentive Scheme which assisted in the building and modernisation of hotel accommodation. In the Development Areas it made grants available for special projects, mostly concerned with the provision of service

accommodation. These grants, the Board claimed in 1982, of £14 million attracted £52 million in capital investment and created 6,000 jobs (WTB 1982).

From the start the WTB expressed interest in farm tourism although it was initially cautious, arguing that

"tourism has come, in our view, to fulfill, never to destroy, the prime base industry of agriculture, and for that matter the local economy generally. We plan for tourism and its revenue and so to make possible the extension of farming. A flourishing agriculture is the greatest tourist attraction; decay its repulsion" (WTB 1971).

The WTB gave limited assistance to farm tourist operators both through training courses and loan schemes. Furthermore farm tourism takes its place in the WTB's extensive publicity campaign.

The WTB worked closely, at times with other agencies in rural Wales, entering into twin projects with the CC on tourism in the countryside (WTB 1978) and together with the DBRW exploring the economics of build and lease hotels in mid Wales (WTB 1980). The WTB has worked particularly closely with the agricultural department although recently ADAS has begun to advise farmers wishing to enter the farm tourism sector to contact the WTB.

Although the WTB can be viewed as an intervention agency its sphere of operation is limited in terms of practical financial assistance. It is hard to see how, given its present remit, it can play anything

more than a promotional role for farm tourism. The agricultural departments may not allow the Board to encroach any further onto what they see as their territory, namely, the farm.

### Conclusion

The emerging consensus over the need to integrate rural policies and coordinate the activities of the various agencies plays down the extent to which these agencies draw boundaries around their own administrative territory. The policy trajectory of these agencies, as we have seen is by no means towards a common agreed view on the economic, social and environmental shape of the rural areas.

In Wales an effective coordinating role could be played by the WO. The Secretary of State has responsibility for agriculture, economic development, the environment and planning and therefore has some potential to direct these agencies towards a more integrated approach.

Some tentative moves in this direction have been made. In 1987 the Secretary of State announced the setting up of a Welsh Rural Products Group. The group's main purpose was to encourage the development of marketing activities, to promote rural prosperity and to provide a strategy for improving the marketing of Welsh foods and rural products. It was to do this by acting as a coordinating mechanism and therefore its members included representatives from the CLA, FUW, NFU, MWD, WDA and the WTB. It

appears however that the group would have no direct powers of intervention (WF August/September 1987).

However, there are limits to the extent that the WO could pull these agencies more closely together. Virtually all the agencies operating in rural Wales are centrally directed to a degree which makes effective coordination within Wales extremely difficult to achieve. Central state agencies in the areas of agriculture, conservation and forestry lay down a "common" policy making room for manouvre by the Welsh 'arms' of these agencies quite limited.

Furthermore, as we have seen, the trajectory of these institutions is by no means towards closer links with other agencies. The DBRW for instance is pursuing a strategy which sits ill with an integrated approach, and even seems to view such a policy sceptically. As one of its executives writes

"coordination as a general policy aim is a weak concept usually implying, in those who seek it, a greater degree of control. It is often used also as a commodity to have more of when the chances of obtaining greater resources - which is usually the real issue - are constrained" (Pettigrew 1987, p119).

There are also occasions where the policies of central agencies clearly contradict those of regional agencies. For instance, the DBRW has recently begun to develop food processing facilities in mid-Wales. Yet in early 1988, due to the effect of quotas on milk supplies, the MMB closed its creamery at Felinfach thereby destroying 120 jobs in milk processing<sup>(4)</sup>



This decision was obviously taken for narrow economic reasons (excess capacity in the UK etc) and with little concern for local social effects.

This makes the notion of integrated development more complex than it first appears. Integration and coordination must take place at the national level. However, central state agencies defend their territory in much the same way as those at the regional level. A study of integrated rural development in the south west of England concluded that "the system of departments and agencies with sectoral responsibilities is so strongly developed in this country that it does not seem realistic to propose coordinating mechanisms at the national level" (Dartington Institute 1984, p170).

This situation is compounded by the 'skew' of support policies found at the EEC level. Agricultural support accounts for 60% of the Community budget as against only 0.05% for environmental policies (Briggs 1987, p269). The House of Commons Agriculture Committee criticised the EEC's Integrated Development Programme (IDP) in the Western Isles because

although the programme aims at broad integrated development there are no FEOGA - assisted financial provisions for supporting non-agricultural activities. Thus the £20 million that is 40% supported by FEOGA is entirely devoted to supporting agriculture and fisheries. The original IDP concept, that of the development of non-agricultural activities directly or indirectly connected with agriculture, receives no direct financial support" (1981, para 133).

The Dartington Institute study argued that

"the EEC provides a strikingly bad example of the failure to integrate its sectoral approaches to development in rural regions. Its different funds - Agriculture, Environment, Social and Regional - are framed in such ways that they cannot readily

be harnessed within the same development programmes. Moreover, they have quite disproportionate budgets" (1984, p169).

Were some kind of effective integration to take place at the regional level therefore, it would be in the context of existing policies which are still overwhelmingly concerned with the farm.

If devolution and integration of policy-making is unlikely then the continuation of badly coordinated and often contradictory approaches to the rural areas of Wales seems inevitable. The restructuring of rural economies is proceeding in a way which is fundamentally "disorganised" (Iash and Urry 1987). State agencies at the present time, are incapable of effecting any real organisation of these economic and social pressures. In fact, they seem to have no clear idea of just what the 'rural' now is and what it should be. The decline of 'productionist' agriculture has left the agricultural departments desperately searching for a new role. The DBRW is still locked into the policy of enticing manufacturing industry into the rural areas of mid Wales despite overwhelming evidence that the restructuring of the area is predominantly geared towards services. The FC is pursuing a policy which is determined almost exclusively by financial objectives over any possible social and environmental benefits. As these changes accelerate the conservation agencies look for policy 'spaces' which they can fill, and seek to swing existing policies their way. However, at the end of the day both the CC and the NCC are too marginal to effect any real control over the processes that shape and determine the lives of people in rural Wales.

It seems therefore that as support for agriculture declines the section of the rural populations who have relied on agricultural employment and income will have to search for alternatives. What these alternatives will be is far from clear and, despite the array of agencies operating in this area, it may be that no lead from the state will be forthcoming. These state agencies may merely confine themselves to providing the policy environment within which 'market forces' predominate. However it should be realised that these market forces may radically reshape the economy and society of Welsh rural communities in ways which seriously diminish the culture and 'sense' of 'community' in these areas.

The response of the agricultural policy community in Wales to these developments is likely to be mixed. The rivalry between the FUW and the NFU, for instance, has tended to elicit different responses to such concerns as conservation. The NFU, with its close ties with the MAFF, has been aware for most of the 1980's of the changing political climate and has been keen to present itself as favourable to "sensible" conservation (Cox et al, 1986d). The FUW, on the other hand, has often used the NFU's 'softer' approach as a weapon in the continuing feud between the two unions. Responding to reports in the mid-80's that the NFU was lobbying for farm grants to be made more amenable to conservation, particularly in the livestock sector, the FUW portrayed this as merely the means whereby the largest arable farmers could maintain their dominance:

"... the unpalatable truth is that the cereal barons who control the NFU are prepared to accept cuts in the livestock sector but not in their own incomes" (WF, October 1984).

The MAFF also came in for FUW criticism:

**TEXT BOUND INTO  
THE SPINE**

"The Ministry of Agriculture is crumbling under the pressures exerted by the increasingly strident conservation lobby. The government recognises that there may be more votes to be gained from the 'greens' than the farming community. All this spells bad news for the farmer and we can expect a gradual erosion of agricultural support policies which have been sacrosanct for many years" (WF, August 1984).

According to the Union's President, Myrddin Evans, "Farmers are not unpaid park-keepers but producers of the nations' food" (WF, Summer 1982) thus affirming the traditional, 'productionist', conception of the farmers' role.

Recently however, as the pressure on agricultural support policies has grown, the FUW's attitude has also begun to shift. As farm incomes continue to fall so payments for conservation work have come to be seen as the more possible way of beefing up farming returns. According to Huw Hughes, Myrddin Evans' successor as President of the FUW, money for conservation work is "a way of keeping small farmers. There are many many small farmers that are just able to survive. This could be just that little bit extra. What we want is to keep people in the countryside" (Interview).

Both the FUW and the NFU responded cautiously, but positively, to the ESA initiative. Both have been willing to work more closely with the CC and the NCC to see how farmers could benefit from such proposals. The "swingeing" attacks on these agencies by the FUW (Cox et al, op cit p12) may now be largely a thing of the past.

Perhaps of more importance to the unions is the changing direction of policy emanating from Brussels as it is channelled through the agricultural

departments. How far these policy changes will embrace conservation and rural development concerns is as yet unclear. However, as we saw in Chapter Five, it remains doubtful whether the agricultural agencies and the unions can convincingly articulate issues which extend beyond the simple production of food. It is likely to be the case that these agencies pre-occupation with the farm per se, and their 'knee jerk' protection of this administrative territory, will see them attempting to incorporate other countryside concerns within this traditional approach. While this remains so it is hard to envisage any meaningful reorientation of rural policy being brought into effect.

#### Notes

- (1) This was further emphasised by the CPRW Chairman who wrote in 1986 "it may be that in the past the attitude of not 'rocking the boat' has been the very reason that our membership has remained so static, and that we must try all the harder to find new members who will support us" (Rural Wales, Autumn 1986).
- (2) The NCC is an independent body but is "sponsored" by the DoE. It receives its funds through this Department and is directly accountable to the Minister. In giving advice to Ministers it works through the Directorate of Rural Affairs which plays a coordinating role in countryside concerns such as nature conservation, scenic amenity, common land, planning, etc. In Wales these affairs are dealt with by the WO and the NCC works closely with that department (NCC 1984, p31).
- (3) This was recognised in 1957 when the National Resources (Technical) Committee reported "a good deal of land which otherwise might be available is not offered to the Commission because the attitude of the agricultural community to afforestation is one of suspicion ..." (para 115). Such suspicion was later in evidence in the protests made by the farming community in response to the proposed Rural Development Boards in the late 1960's (see Bowen Thomas 1968).
- (4) This news was accompanied by the announcement of the closure of Whitland creamery on Anglesey and came on top of the closure of the Johnstown creamery and job losses at the Newcastle Emlyn Creamery. Approximately 400 jobs have been lost in Welsh creameries in the 1980's.

## CONCLUSION

### CHAPTER SEVEN : INSTITUTIONS, 'COMMUNITIES' AND THE SCOPE FOR POLICY REFORM

#### (i) The Policy Process and Institutional Analysis

After 1939 there was an almost continual expansion of state involvement in agricultural affairs. This expanded role was not unique to this policy sector, in other spheres of the economy and civil society the state became a more interventionist actor. This can broadly be called the birth of the "Keynesian" state, ie, one which took upon itself responsibility for ensuring the "success" of the economy (Goldthorpe 1987, p364). There was, therefore, a decisive change in the agenda of policy-making and policy objectives. This shift took place for various reasons, such as, notably, the changing structure of the political system and the role of a variety of institutions in the realm of public policy formation. "Keynesianism" came to be the dominant economic (and political) doctrine, giving, policy-makers the tools, and the confidence to attempt to 'steer' the economy towards certain 'desirable' goals (eg, full employment and economic growth). Agricultural policy should be seen in the context of these wider developments and, although certain concerns were specific to the agricultural sector such as the necessity of increased food production in the Second World War and its aftermath, the notion that the state could intervene in the

industry 'successfully' clearly owed something to these wider re-definitions of the state's role.

Henceforth, the state was drawn into a close and complex relationship with sections of civil society. The consequences of this, according to Vielle, were that

"the State becomes the central locus of politics, where coordination and arbitration take place, and where decisions about repression are made; it intrudes into civil society as much as the latter intrudes into it: as it exercises as influence over civil society tending to homogenise it and 'rationalise' it, it is in turn impregnated with its contradictions. In the process it becomes the centre of institutionalisation and the universal locus of decision making; it ensures the functioning of civil society, it arbitrates its disputes but places it under tutelage" (1988, p55).

Vielle is here suggesting that it was clearly in the state's interest to minimise the conflicts and "contradictions" within its sphere of authority. We have seen how the state became the "locus of politics" in the agricultural sector and, further, how certain institutional relationships were formed in order to facilitate state intervention in a fashion which sought to minimise conflict while furthering the interests of the main participants. This exemplifies how the activities of state agencies and 'external' groups can contribute to the state's fulfilment of certain 'functions'.

The state/group relationship was initially formalised in the Annual Review during World War Two where the MAFF and the NFU entered into a close and long lasting 'partnership'. However, this was not the only level where such a relationship could be found; the WOAD, shortly



after its establishment, likewise initiated similarly close relations with the FUW and the Welsh NFU. This exemplifies how state intervention in one particular sector allowed the formation of vested interests around the policy process. As Jordan and Richardson put it

"Once a policy or programme has been adopted the groups who benefit, be they bureaucratic or 'outside' groups will fight to the limit in order to retain their benefits" (1979, p78).

Nevertheless,, as we saw in Chapter One, the participants not only gain but also stand to lose. State agencies seek to minimise conflict by restricting the number of participants in the policy area. What they may lose is their autonomy and standing within the state apparatus if they are perceived to be 'colonised' by the group (the MAFF undoubtedly ran this risk and may yet suffer the consequences). For the groups, they gain a 'privileged' place inside the policy process but may become too closely identified with the state and too distant from their constituency (the NFU was accused of this by the breakaway FUW, and the FUW ran a similar risk, though to a lesser extent).

This mode of interest intermediation had a determinate influence on agricultural policy-making. Policy formulation became characterised by cooperation, bargaining and the "consensual style" (Jordan and Richardson op cit, p24). Such practices, once established, became the 'norm'. Distinguishing, therefore, where the state 'ended' and the external groups 'began' became extremely problematic. However, it was possible to show which agency/group was dominant.

Between 1945 and 1978 the NFU was the only group brought inside the agricultural policy process. Together with the MAFF it presided over a policy which dominated the rural areas of England and Wales. The type of policies adopted reflected in large measure the institutional 'obsessions' of each participant: the NFU, with its concern for income through output, and the MAFF, imbued (in common, it must be said, with many other state departments) with the ideology of 'modernisation' and expansion, pursued policies which were narrow in outlook ('productionist') and eventually came to be seen as extremely damaging in social and environmental terms. Furthermore these policies rewarded certain groups of, already favoured, producers excessively while doing little to ease the burden on those who needed help the most. By consolidating support amongst the most powerful sections of the agricultural sector (ie, those in command of substantial resources) the 'partnership' could continue to claim to be operating successfully.

This bears out Hall's characterisation of the policy process:

"Each national set of interlocking organisational structures tends to lead policy-makers into some courses of action and away from others; and each course of action tends to favour the interests of some social groups over others" (1986, p266).

The MAFF/NFU partnership set agricultural policy on a course which proved extremely resistant to change. Of course, the reasons for such a policy being adopted cannot be explained wholly in terms of the predilections of those two actors. The MAFF/NFU grouping was linked to other state agencies through the Cabinet and the complex

interdepartmental committee structure (agricultural policy intrudes on many other policy sectors and therefore must march in, rather than out of, time with policies in these areas. In practice, there is mutual accommodation). The shape of agricultural policy was also determined to some extent by the exigencies of the Second World War. However, once the policies were adopted, the above interests 'congealed' around the policy process and ensured its continuation. This was made easier in the field of agricultural policy, than other economic policies, by the remarkable similarity in the approach of the two governing parties. A change in government meant very little change in agricultural policy. The 'cosy' relationship between the MAFF and the NFU could continue relatively undisturbed.

This allowed the formation of a stable policy community within the agricultural policy arena. At the 'core' of this 'community' was the MAFF/NFU policy-making 'elite' with 'peripheral' members coming from other interested agencies such as the WOAD and the FUW. As in other such 'communities', its structure

"sets the basic outline for distinguishing insiders from outsiders. Mutual trust is a pervasive bond expressing an awareness of how to deal with members of one's own group and, by extension, strangers" (Heclo and Wildavsky 1974, p2).

Such 'communities' jealously guarded their administrative territory from external incursions. This was shown in the attempts to devolve some agricultural decision-making powers to the Welsh Office. It took fifteen years for the WO to acquire any real measure of jurisdiction over Welsh agriculture and even these (limited) powers

were only conceded after it seemed possible that the MAFF might lose all jurisdiction over Wales (in the event of the devolution referendum returning a 'yes' vote).

Once the WOAD was established (out of the previous MAFF offices) it repeated the established practices of cooperation, bargaining and the "consensual style". The main difference here was that the WOAD itself had to enter into a similar kind of relationship with the MAFF. Clearly, the WOAD was the 'junior partner'. The department was small, with limited resources and therefore could not hope to impose its wishes on the larger, more powerful, central agency. Once again it had to rely on cooperation, bargaining and the consensual approach.

The European dimension complicates the analysis of the agricultural policy process. In this arena the MAFF was only one of many powerful participants and could not therefore impose itself on the policy process. Nevertheless, here, as at the national level, the organisational structure exercised a decisive influence on policy outcomes and in this the MAFF played a full role. The WOAD on the other hand was excluded. It had to rely on some (limited) input at the pre-negotiating stage in an attempt to ensure that Welsh considerations were taken into account in Brussels.

The activities of the WOAD and the Welsh unions has been the main focus of attention here and an attempt was made to specify the role of each. The WOAD itself was by and large a marginal player in the agricultural policy game, yet its existence was more than merely

symbolic and it made sincere attempts to further Welsh agricultural interests. The unions, incorporated fully at this level, although only partially at the centre, were rendered equally marginal in the policy process.

Vielle argues, in relation to peripheral state, that "the State, symbol of independence is the real instrument of dependence" (op cit, p60). This, on the surface, seems an apt description of Welsh political institutions. While the existence of these institutions stands as a testimony to the distinctiveness of Wales as a political entity, their sheer marginality also testifies to their dependency on the central state. However, as the examination of the WOAD showed, the institutionalisation of Welsh 'difference' serves as a basis for expansion and facilitates at least some Welsh input at the level of policy formation. Nevertheless, given the initial confinement of such 'difference' any significant expansion will be a long and difficult undertaking. The dual role of the WOAD - that of the voice of Wales at the centre and of the voice of the centre in Wales - was firmly weighted in favour of the latter.

What all this points to is the importance of an institutional analysis of policy formation. The articulation of interests (state and non-state) within the policy process is determined by the 'institutional ensemble' present at each conjuncture. However, we should be clear that these institutional relationships are not between monolithic blocs but take place through individual interaction.

Analysis of the organisational structure allows us to show how these structures both facilitate and limit individual action. Unlike an a priori concern with 'function', which tends to reduce state agents to the status of mere 'bearers' of the state with their allotted functional role, an analysis of institutional structures can show how these

"allocate influence [and] ... impose certain perceptions, responsibilities and interests on the actors [and] simultaneously limit their use of that influence" (Hall op cit, p265).

One obvious way in which actors are thus situated is in their membership of 'policy communities'. Membership gives individual actors an understanding of their interests (vis-a-vis other actors), shapes their interpretation of issues and leads them to favour certain courses of action. As such communities exist at various levels of the policy process then each participant will view this process differently. Within the agricultural policy community, taken as a whole, there will be significant differences of emphasis (between 'English' and 'Welsh', for instance) but these will all be contained within the boundaries of the community.

The cohesiveness of the 'community' was also to be facilitated by the exclusive status attached to those who are its members. It is only the agency and group elites who may sit at the negotiating table and they will all tend to 'bargain' within certain established parameters.

"Because much is shared, much is disputable. Men [sic] of common kinship they can continually bargain and fight for what they want from each other, not in a once-and-for-all massacre, but in the market place exchange of an agreed culture, day after day, year after year" (Heclo and Wildavsky op cit, pp2-3).

By restricting access to the policy arena these cultural norms and established practices could be maintained. At the Welsh level, the WOAD, the NFU and the FUW, although by no means 'of the same mind', were all willing to abide by the rules of negotiation; rules which enabled them to try and shape the policies in their own image but which also constrained them from attempting any radical refashioning of the policy. Ultimately abiding by these rules ensured their marginality.

Such practices were not only evident within the sphere of agricultural policy-making. In the environmental arena, where many groups compete (see Lowe and Goyder 1982), the state found it necessary to create its own 'public status' organisations - the CC and the NCC<sup>(1)</sup>. These organisations acted as 'filters' for the varying demands of the diverse environmental interests groups and therefore presented state agencies with more straightforward and 'consensual' demands. The CC and NCC were incorporated at the centre with the DoE and the MAFF and, in Wales, with the WO. They too had a dual role - that of the voice of environmental interests within the state apparatus and of the voice of the state in the environmental sphere. Once again the balance was weighted in favour of the latter role. As with other instances of incorporation the motivation behind

such practices was to limit conflict and 'smooth' the path of policy-making.

The other agencies operating in rural Wales would seem to be more autonomous in their sphere of activity but these spheres were narrowed by the dominance of the central departments. There was little evidence of any horizontal coordination between them, rather they were vertically integrated into the central state. None were democratically accountable within their areas of jurisdiction. These institutions seemed to have less of a dual role and concentrated on the implementation of centrally determined policies (for the most part through the WO). Further clarification of their relationship to central state agencies is clearly needed but cannot be attempted within the limited study presented here.

Analysis of organisational structures and how these structures 'pattern' policy outcomes does not rule out the analysis of function. It merely points to the need for the study of structure over function in the first instance. The state's acquisition of functions should, therefore, be studied historically. So, while we can point to the performance of certain regular functions over time (and the necessity for such functions to be performed in the future) we cannot analyse state activity solely, or primarily, in terms of the necessity of the state to perform such functions. The way institutions interrelate, the way individual members perform their duties, are not determined by some over-arching necessity but by the narrow assessments of institutional and individual interest which these actors make and



their ability to act upon these assessments. What we have seen here is how these institutional structures privilege certain agencies and actors over others. These were not chance occurrences but were regular, structured outcomes which were determined by the institutional structure itself. We have further tried to show, in the sphere of agricultural policy, why this was so.

The question remains however, as to whether such arrangements are acceptable and desirable in what is, after all, a 'democracy'. This brings us back to the pluralist/corporatist/neo-marxist disputes of Chapter One. For pluralist writers the alternatives to government through the agency/group process are few and always 'worse' (eg, authoritarianism). Thus Jordan and Richardson can conclude that "broadly speaking, pressure group activity - of different styles - is normal, commonplace, unavoidable and normally desirable" (1987, p277). Furthermore, "consultation is not a threat to democratic institutions, it is an alternative form of democracy" (Ibid, p287).

Is this satisfactory? In the light of the social and environmental 'side effects' of the policies examined here a less sanguine response may be more appropriate. As Offe put it:

"Only if the means of political intermediation and the channels of communication between civil society and political authority are 'neutral' (in the sense that they permit the effective and non-discriminatory transmission and processing of diverse interests, rather than selectively privileging some interests at the expense of others) can these procedural forms themselves be considered as legitimate and worthy of acceptance" (1985, p7).

Of course as agricultural policy shows, these forms of intermediation

work well away from the intrusion of parliamentary democracy and, therefore, whether they could be considered "legitimate" is a question that need only be considered by the participants themselves. Those excluded from these patterns of incorporation have found it extremely difficult to get their voices heard by those 'inside' the policy process. Therefore, it seems in order to exercise caution before we follow pluralist commentators into calling this some kind of 'post'- (or 'extra') parliamentary democracy. This would seem to devalue the word democracy.

#### (ii) Policy Reform and Rural Communities

We have seen here how agricultural policy was formulated and the effects of its implementation on rural Wales. This has entailed some examination of not just the changing structure of agriculture and the role of policy, but also the wider economic and social implications of these changes. Although parallels may be drawn with similar processes in other areas, these effects on the Welsh localities have been specific and particular.

While many of the economic critiques of agricultural policy have highlighted these consequences of state intervention, discussion of the regional and local impact has generally been neglected. The solutions offered have, therefore, concentrated on policy reform at the macro-level and betrayed little concern with the localised effects of such reforms. Thus Howarth could argue that agricultural policy should have as its main objective

"a freely-competitive agriculture without internal subsidies or protection from outside competition thus permitting consumers and the economy as a whole to reap the benefits of international comparative advantage - in short a free market in agricultural products" (1985, p137).

Likewise, Bowers and Cheshire conclude their telling indictment of agricultural policy with the notion that:

"the single most important change in agricultural policy from the viewpoint of conservation, and the starting point for the formulation of a more rational and socially acceptable agricultural policy would be a reduction in the level of agricultural protection" (1983, p138).

While these authors accept that such a prescription would entail hardship for certain groups of farmers, and, therefore, should be supplemented by direct income aids for disadvantaged groups (Ibid, pp150-151), the long term aim is for a 'free market' in agriculture.

Such a blanket solution to the problems of agricultural policy takes no account of the widespread variation in farm structures, farming practices and the role played by agriculture in the locality. It is here that the weaknesses of the above approach became apparent. Potter, for instance, argued

"With a greatly reduced level of farm support the pressures for farm amalgamation will be increased as land released by businesses vulnerable to lower prices is captured by others able to survive and even expand by broadening their land base. Under a scenario of steep price reductions, several farmer groups would become vulnerable. Farmers on poorer land with above-average land finance charges (rent or mortgage) would be particularly hard hit" (1986, p19).

These pressures, resulting from the long-term movement to a 'free market', would only be partially offset by the provision of supplementary aid to vulnerable farmers.

It would appear that the European Commission shares some of the above authors' enthusiasm for the 'panacea' of the 'free market'. In 'Perspectives for the Common Agricultural Policy' (Commission of the European Communities 1985b) it is argued that the laws of supply and demand would operate more fully under a 'restrictive' price policy.

"A restrictive price policy implies lower expenditure on market measures (intervention, restitutions, aids for products) and this would take effect in two phases - a first phase in which certain prices would either be reduced or increase less than they would otherwise have done, and a second phase in which production of certain surplus products would either be reduced or have a lower rate of increase" (p.viii).

There is also a call for the introduction of income support measures to enable farmers to cope with the transition to this 'free market' (Ibid, p55).

Likewise, the MAFF has begun to stress the return to the 'market' as an antidote to the budgetary pressures and unwelcome side-effects of the policy. According to the Minister of Agriculture, Michael Jopling, speaking in 1987,

"There will have to be less emphasis on production growth more on the needs of the market-place, a search for alternative uses of land, the right weight given to environmental needs and encouragement for the diversification of the farming economy. Achieving the right balance amongst all these will not be easy ... Farming is still going to use four-fifths of the land and

will still be the careful custodian of most of our countryside" (MAFF Press Release, February 27 1987).

Furthermore, "there is no question of stopping the technological clock - our competitors certainly will not and neither must we" (Ibid) (2).

While these proposals represent a 'rational' response to the problems confronting policy makers they do not take account of institutional factors. The political economy approach stresses the extent to which economic policy is structured by political decision-making. From this perspective the adoption of the 'free-market' strategy in the foreseeable future seems remote. Fennell, for instance, characterises CAP reform as the 'minimum adjustment in the face of major pressure' (1987, p63).

"It is hard to imagine that at any time over the next decade it would be possible to persuade twelve Member States to agree to the kind of price control hinted at in Perspectives" (Ibid, p65),

This is largely because:

"in the individual Member State there still seems to be greater concern with the income problems than with production levels. This can largely be explained by the ability of Member States to externalise the cost of surplus disposal whereas income levels cannot be hived-off and may be of major importance regionally or nationally" (Ibid, p75).

This conclusion is echoed by Gardner who sees this resistance not just in the Council of Ministers but in the entire Community bureaucracy:

"The inherent conservatism of committees - and the EEC is, par excellence, government by committee - is, in the Community, reinforced by the fact that the majority of the individuals and the groups involved in agricultural policy-making has as its major objective the maintenance of the status quo. The reformers are always a minority. As a result EEC policy development is highly incremental. What passes for policy-making in the agricultural sphere is in fact largely a continuation of past policies adjusted by the minimum of change needed to meet new conditions" (1987, p171).

The 'incrementalist' nature of policy is reinforced by the existence of 'policy communities' at the national and regional levels. As we have seen, the existence of such stable communities in the post war period ensured that the continued expansion of agricultural production remained the central policy objective. The recent 'crisis' of policy entailed the adoption of certain modifications. These have thus far fallen into two main categories - measures to restrain production, such as milk quotas and production limits, and the incorporation of non-agricultural considerations, such as diversification and 'environmentally sensitive' farming practices.

If we adopt this perspective of the agricultural policy process then it becomes clear that any reform of the policy is likely to be partial and piecemeal. The institutional factors ranged against radical change will ensure that the policy remains essentially intact while incorporating certain specific concerns. It seems that price support will remain at the core of state support to agriculture.

We can expect, therefore, a continuation of the trends which have been highlighted in the previous chapters. Farm sizes will continue to grow, production will intensify in certain areas while others

become characterised by 'environmentally sensitive farming' and diversification (eg land lost to agriculture). A restrictive price policy, albeit one less drastic than that envisaged under the free market scenario, will push many small farmers, currently struggling with falling incomes and rising debts, over the edge into bankruptcy thus allowing larger farmers to increase the size of their holdings and their share of production.

Such developments could have serious consequences in the Welsh rural areas. These localities have already been economically weakened by the loss of agricultural employment, and the lack of alternative employment opportunities. This for a time, endangered the very existence of these communities. Concern over this issue was manifested in the 'depopulation' debate in the 1950's and 1960's. With subsequent increases in population levels such concerns subsided, yet the processes of restructuring, which in the past, has weakened these communities, continues apace. The role of agricultural policy has barely changed. It is still formulated in relative isolation from other state policies. Agricultural support is still aimed almost exclusively at the farm. No other agencies may intrude on this administrative territory. The 'boundaries of responsibility' are drawn in a way which is determined by the history of the various agencies rather than any rational division of functions (3) . Yet the forces of economic restructuring do not respect such boundaries and it is clear that past attempts by these agencies to mitigate the social effects of these forces have failed because they were not capable of developing a coherent response to match the complexities of the restructuring process. As we have

seen, an 'integrated' approach is now no nearer and it seems likely that agricultural policy will continue to hasten the destruction, rather than provision of rural employment.

In the preceding chapters the effect of agricultural policies on Welsh rural communities has constantly been referred to. It is important to stress here that what is being inferred is not that these communities are simply being destroyed but that the bases of their existence are being weakened. However, these communities respond and adapt in the face of such pressures. This response can take many forms; as Cohen argues:

"The notion that communities will be transformed by the dominant structural logic of their host societies, rendering them more alike, ignores the indigenous creativity with which communities work on externally imposed change. Change in structural forms is matched by a symbolic recreation of the distinctive community through myth, ritual and a 'constructed' tradition" (1985, p37)<sup>(4)</sup>

Rural communities survive (depopulation is no longer the problem) but their 'make-up' changes. This is especially true where 'traditional' economic activities, such as agriculture, give way to 'modern' ones, such as tourism. In Wales the lack of alternatives to agriculture and agriculture-related activities makes tourism likely to be the route to 'diversification' in the rural economy. This could have a profound impact on the nature of these communities. The most significant consequence of these changes may relate to the Welsh language. While, in terms of absolute numbers, the main Welsh speaking areas are in the industrial and urban areas of South Wales,



Welsh speakers predominate in many rural communities in north and mid-Wales (Aitchison and Carter 1986). The effects of such an unambiguous embrace of tourism may well weaken the role of the language in much the same way as happened in the coastal communities of the area (Ibid, p7). This is not to argue that ideas about 'Wales' and 'Welshness' would be lost (these clearly extend beyond the language itself) but is to suggest that the culture of these communities could become 'fossilised' into a 'superficial', 'packaged' 'consumable' form which bears little resemblance to people's lived experience. However, in the absence of any data on the effects of such changes in such places this must remain mere speculation. Further research is clearly needed.

If however, this analysis is correct then there may be a political reaction to such a restructuring, coalescing a variety of concerns around the threat to the language. This may lead to a questioning of Welsh political institutions:

"The issue is whether a small community, with its own language and culture and values, its literary and intellectual traditions, its own way of seeing the world, its own way of being human, can go on existing in these islands. A whole collection of attitudes and institutions will have to be changed for this to be possible, for the present pattern is driving this community to extinction" (Thomas N 1971, p13).

Renewed attempts to retain a living culture in rural Wales could therefore turn a critical spotlight on the Welsh polity. The role of the WO and the nature of the policy process may then come under close scrutiny and be subject to pressure for change. From the analysis presented in the preceding chapters it is clear than any reassessment

of the role of agricultural policy in Wales would need to examine how "to create more self-reliant rural economies that capture more of the fruits of local investment and economic activity" (Lowe et al 1986, p304). If this is to be the main aim of future rural policy, then clearly the shift to the 'free market', outlined earlier, is inadequate.

"... reforms must always be sought at a number of different levels. Undue attention to any single mechanism, such as price support or planning controls, is unlikely to produce the fundamental reorientation that is required and if pursued in isolation could have unwelcome side-effects for the well-being of the countryside" (Ibid).

The pressure for such wideranging reforms will not come from within the policy process itself. The farmers unions, locked into a mode of representation which ensures they cannot adequately address these wider, social, political and cultural concerns, are unlikely to radically change their strategies. But whether sufficient external pressure could be sustained to bring the reform of the system of agricultural decision making, necessary for the formulation of a policy aimed at maintaining viable rural committees, must remain in considerable doubt.

The establishment of policy 'communities' within the agricultural policy process came about as attempts were made to insulate the process from external (democratic) pressure. In this, the agricultural policy-makers' were successful. Therefore, to effectively transform the whole basis of the policy, would mean completely reshaping the policy process itself. This would entail making such processes, and policies, democratically accountable,

thereby allowing the people of rural Wales some say in how the state intervenes in their lives. However, as should be clear from the last six chapters, there is clearly very little chance of such changes coming about in the foreseeable future, by which time these communities may have changed out of all recognition. What was once precious will have been lost, or, to adapt Bermans's phrase, 'what was once solid will have melted into air'.

### Notes

- (1) This illustrates the difficulty with Cawson and Saunders 'dual political thesis'. The interests which 'compete' over land use could be described as falling into both production and consumption groups, as land is a resources for production (agriculture) and for consumption (conservation, tourism, etc). Patterns of incorporation seem to span both 'sectors'.
- (2) This comment seems to indicate the Minister's willingness to sanction the introduction of 'biotechnology'. At the time of writing, the industry was engaged in an internal debate over the introduction of BST, with the MAFF seeming to favour its introduction while sections of the agriculture community were hostile to the use of a technique which seemed destined to drive more producers from the milk sector (for a summary of biotechnology and its implications see Goodman et al 1987, also Buchanan and Buchanan 1988).
- (3) In this sense the term 'policy community' is very apt. The practice of drawing administrative boundaries has echoes in the practices of communities more generally - "boundary encapsulates the identity of the community ... and is called into being by the exigencies of social interaction. Boundaries are marked because communities interact in some way or other with entities from which they are or wish to be, distinguished" (Cohen op cit, p12).
- (4) This creation of a 'constructed tradition' embodies also the use of symbols by state agencies such as the WTB, DBRW and WDA attempting to sell 'Wales' as a consumer good (tourism) or as a resource for manufacturing industry.

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