

THE CORRUPTION BAY FACTSHEET

THE TRUTH ON CARDIFF BAY: HOW POLITICAL POWER AND INFLUENCE WAS BLATANTLY AND SYSTEMATICALLY ABUSED FOR ALMOST TWENTY YEARS SO THAT VAST SUMS OF PUBLIC MONEY COULD BE USED FOR CORPORATE AND PRIVATE GAIN, AND HOW THE WELSH ESTABLISHMENT AND THE WELSH MEDIA EITHER ACQUIESCED, TURNED A BLIND EYE, OR WAS SIMPLY TOO SCARED OF THE CULPRITS TO DEFEND THE PUBLIC INTEREST.

- 'Cardiff Bay', far from being a natural feature like Swansea Bay, is an ad man's term for what is simply Cardiff's former docklands. Those docks became redundant with the decline and then virtual demise of deep mining in Wales, the industry that had made Cardiff the greatest coal-exporting port on earth. The end of King Coal's reign meant that the owner of Cardiff docks, Associated British Ports, found itself lumbered with a massive eyesore and a financial liability.

ABP had been privatised by the first Thatcher government in 1982/3. Secretary of State for Wales from 1979 to 1987 was Nicholas Edwards, MP for Pembrokeshire. Edwards had extensive shipping interests, which had given him business contacts and personal links with ABP. In one Commons exchange, after a ship (the Globtik) in which he had interests was involved in some unsavoury business, Neil Kinnock mocked Edwards as, "Globtik Nick, the Pembroke pirate".

- Following the privatisation of ABP Edwards spent the next few years working to set up a publicly-funded body to regenerate Cardiff's privately-owned docklands. His work came to fruition in 1987 with the creation of the Cardiff Bay Development Corporation. The man appointed CBDC chairman was Geoffrey (now Sir Geoffrey) Inkin, former army officer, failed Tory candidate, mover and shaker, quangocrat, neighbour and close friend of Nicholas Edwards.

Another of Edwards' associates who joined the new quango was Honor Chapman. She'd been his personal advisor at the Welsh Office. And, according to the CBDC's self-justifying account of itself, she "greatly influenced the strategy for marketing the Bay to potential inward investors."

- Inkin also sat as chairman of the Land Authority for Wales. The LAW acquired and made ready land for residential, commercial and industrial development. It had the power of no-appeal compulsory purchase. It could 'smooth out' difficulties with planning regulations. Among other perks the LAW could also get priority treatment from utilities. So Inkin had experience in steamrolling his, and his friends', pet projects through.

The CBDC's powers within its fiefdom compared to the LAW's. The two were neighbours, with the LAW based in the Custom House, very close to Cardiff Bay. For splitting his five-day week between the two Inkin picked up £35,000 a year at the LAW, slightly more at the CBDC.

So one question is: did the CBDC buy land in the Bay that was not owned by ABP? When I started asking, just after the CBDC had been wound up, I was confronted with collective amnesia and irretrievable documents. More on this, and a *resumé* of more recent developments in the saga, will be found towards the end of this document.

- A key to the commercial success of the development was the £200m+ barrage across the estuary of the Taff and Ely rivers. For this would do away with the 'unsightly' mud flats (plus the birds that fed on them) by creating a permanent lagoon. Thereby making the Bay more attractive to investors, and those buying, leasing or renting land or property from ABP.

- Everything was now in place. Associated British Ports had its own private quango pouring public money into the company's failing assets, from which ABP would reap the profits.

For the beauty of the Cardiff Bay scheme for ABP lay in the fact that even though "the largest waterfront regeneration scheme in Europe" would be paid for with public money, ABP would still own the existing buildings, plus the land and everything that was built upon it.

The total figure being quoted for the public money spent in Cardiff Bay is £500m. But given how biased or cowardly the Welsh political establishment and the 'Welsh' (for which read, 'Cardiff') media have been with regard to Cardiff Bay, this figure may be a gross underestimate.

- Edwards stood down at the 1987 general election, and was ennobled as Lord Crickhowell. As might be expected from a Tory ex-minister, and in order to get his share of the bonanza he had engineered, in 1988 Crickhowell joined ABP as a director.

- Crickhowell was also made chairman of the National Rivers Authority, set up in May, 1988. An interesting appointment; for the NRA, with its responsibilities for flora and fauna, fish stocks, water quality, and associated matters, would be the body adjudicating on the barrage.

- Due to the influence of Crickhowell and Inkin — through the Cardiff and County Club, the 'Welsh' media and other agencies — just about any Welsh institution or other body that might add to the Bay's prestige, or in some other way boost ABP's profits, was approached to locate there. While the whole vast project was relentlessly and uncritically plugged in the 'Welsh' media.

- The National Rivers Authority raised no objections to the barrage. Or rather, under the curious terms of the Government-sponsored Cardiff Bay Barrage Bill, *it was specifically precluded from objecting*. An odd situation for a body set up to look into precisely the kind of issues raised by the Cardiff barrage.

But no odder than the various roles Lord Crickhowell filled by 1988: 'father' of the whole scheme, director of the company reaping the profits, and head of the environmental agency that (in theory at least) had the power to scupper the whole business. In the best traditions of a banana republic like Wales, one powerful man could act as both 'prosecution' and 'defence' for a publicly-funded scheme in which he had a vested financial interest!

There are a number of ways of interpreting the emasculation of the NRA with regard to the Cardiff Bay barrage. Clearly, if the agency had retained its powers to intervene, then Crickhowell was in a conflict of interest situation. But with the NRA muzzled, Crickhowell was off the hook, able to argue that his hands were tied.

It is reasonable to assume that Crickhowell lobbied to ensure that the NRA was neutered *vis à vis* the barrage. Getting an Act of Parliament to nod the barrage through because too many questions might have been asked if he had personally taken the decision as head of the NRA to okay the barrage — while also a director of ABP.

- After a few failed Private Bill attempts to get the barrage scheme through Parliament, a hybrid Government Bill was finally passed in 1993.

- Everything seemed to be going swimmingly for ABP-CBDC (which to all intents and purposes was now a single entity), but over-reach was experienced with Crickhowell House; one of the largest office blocks in the city, which no one was interested in renting, leasing, or buying.

This little difficulty was resolved when, in 1993, the Welsh Office, then headed by David (now Lord) Hunt, agreed to take out a 20-year lease at a total cost said to be in excess of £20m. If the figure is anywhere near true, then ABP-CBDC doubled their money with this deal, for Crickhowell House cost around £11m to build. It was allocated to the Welsh Combined Health Services Authority. As it turned out — and must have been known before the deal was done — the WCHSA never used much more than a third of the building.

As there were other, cheaper and more suitable buildings available in Cardiff at the time, Crickhowell House became another example of a Tory administration needlessly pouring public money into ABP coffers.

- The major event of the mid-'90s relating to Cardiff Bay was the Opera House farce. Without delving too deeply into this very complex affair, suffice it to say that a plan was hatched by the Great and the Good to build an Opera House in Cardiff Bay. The leading player in this lengthy and messy business was — well, who else? — Lord Crickhowell, this time in his role as trustee or somesuch of the Welsh National Opera Company.

A design competition was held, and won by Zaha Hadid, a London-based, Lebanese architect. But her design was never constructed. Partly because it was rejected by public opinion. Partly because it was soon in competition with a new rugby stadium. Those in London disbursing the cash very sensibly decided that Cardiff couldn't have both. A popular and politic decision; for despite there being many opera lovers in Wales, there are many more rugby fans.

Throughout this protracted business the arguments used in favour of the Opera House were of the 'good of the nation' variety. No mention was made of Associated British Ports, and the profits it stood to make from having a prestigious centrepiece to its Bay project, sure to pull in big-player investors. For although Crickhowell led the campaign, we were asked to believe that this was Crickhowell the opera buff, not the *other* Crickhowell, of Associated British Ports.

After this decision ABP-CBDC felt cheated, and disappointed. Even so, Crickhowell and Inkin tried to make the best of a bad deal by floating the idea that the new rugby stadium should go to the Bay. This plan failed to get off the ground. Being businessmen and pragmatists, the gruesome twosome and their cronies would then have turned to the future . . . and laid plans to secure some other prestige project for Cardiff Bay.

- After the devolution referendum of September 18, 1997, Ron Davies, Labour's new Secretary of State for Wales began negotiations with Russell Goodway, leader of Cardiff council, for Cardiff City Hall, the building that had for a long time been earmarked for the Welsh Assembly.

- The negotiations broke down amidst mutual recriminations. Davies said that "greedy" Goodway was asking too much for City Hall, while Goodway was to allege that the contrived 'row' served a secret agenda. Bidding was opened for other sites to provide a home for the Assembly.

- In the end it boiled down to a number of sites in Cardiff and Swansea's Guildhall. On Friday the thirteenth of March, 1998, Ron Davies announced that Swansea had lost and that the contest was now between two new-build sites in Cardiff: one at Bute Square, between the city centre and the Bay, the other in the Bay itself . . . right next to Crickhowell House.

- To the surprise of absolutely no one, the Bay site was successful, and the winning design for the new Assembly building came from Tony Blair's friend and favourite architect, Richard Rogers, of Millennium Dome fame.

- By this time we were hearing more of Grosvenor Waterside Developments. This is the property arm of Associated British Ports, and used as a 'buffer', in the hope of disguising ABP's involvement.

- Next, Davies announced in the Commons that until the new Assembly building was built Crickhowell House would be the Assembly's temporary home. On hearing this one Welsh Labour MP was moved to describe Crickhowell House as " the very embodiment of that corruption-ridden, semi-colonial, Tory past" That MP was of course Rhodri Morgan, now First Secretary of the Welsh Assembly.

- In view of Rhodri Morgan's known opposition to the barrage, and his preference for Cardiff City Hall as the home of the Assembly, it's not too fanciful to interpret London's desperate efforts to keep him from leading the Labour party in Wales — and by optimistic extension, the Assembly — as being due to the fear that he would take the Assembly to City Hall.

For it soon became clear that powerful influences were at work to have the Assembly in the Bay. And that what had started life as just another example of Tory sleaze was in no danger of being exposed or undone by the arrival of a Labour Government.

- Why the incoming Labour administration of 1997 allowed the Cardiff Bay scam to continue may be explained by the following hypothesis. The greed of ABP-CBDC, and the machinations of the cliques and cabals in Cardiff, resulted in Welsh political, cultural and public life being sucked into Cardiff; and this served the interests of a 'control-freak' New Labour Government that could see the advantages from having 'Wales' effectively reduced to one, relatively small and convenient city from which a country of uncertain loyalties could be more easily managed. The insulting encyclopaedia entry that used to read, "For 'Wales', see 'England'" has, effectively, been replaced by, "For 'Wales', see 'Cardiff'".

- One can also imagine Crickhowell *et al* arguing with the holders of the purse-strings in London thus: "Look, the Cardiff Bay scheme has gone too far for a new government to call it back — you're lumbered with it, whether you want it or not". But the whole project is in danger of falling flat unless the Bay gets a prestigious centrepiece to attract investors. We were promised an Opera House, but then the Great Unwashed rose up and demanded a rugby stadium. So we claim the next prestige project for the Bay — you owe us one! And remember! if Cardiff Bay turns out to be a failure, it won't just be the Tories that'll look bad, it'll also reflect badly on decisions being made in London. So who'll benefit from that scenario, eh? Those frightful nationalists, that's who."

- On July 22, 1999, HTV broadcast a programme in its *Wales This Week* current affairs series. The programme interviewed or quoted most of the principals and shed some interesting new light on the Assembly saga.

- To begin with, it established, that despite Ron Davies being filmed handing over a one pound coin to a representative of ABP-CBDC for the 150-year lease of the land on which the new Assembly building would be built, there had been a secret deal done, to extend the existing lease on Crickhowell House for a further five years (up to AD 2018).

Alun Michael MP, then also AM and First Secretary, was shown in the Assembly that week, first wriggling and unconvincingly denying that any such deal had been done then, the following day, admitting to the deal. But defending it on the curious grounds that it was "more flexible". Which means . . . what? And "flexible" for whom?

Whatever Michael's remarks might or might not mean, they established that the *true* cost of the land allocated for the new Assembly building was £10m not £1.

- The programme also gave an insight into the role of Rachel Lomax, who had left the World Bank in 1996 to head the Welsh Office. According to Russell Goodway, she made it clear to him in October '97 that if the Assembly went to City Hall then his council would have to take over Crickhowell House, its lengthy and expensive lease, and the cost of bringing it up to standard. A building for which Cardiff council had no use.

When the offer was declined (as Lomax must have known it would), it is said that she and her staff then engaged in 'imaginative accounting', inflating and exaggerating the costs involved in renovating City Hall and rubbishing all other alternatives to the ABP-CBDC site in the Bay. Her figures for bringing City Hall up to the required standard were challenged by a number of those interviewed in the programme, including a characteristically florid and indignant Dafydd Wigley MP, AM, then leader of Plaid Cymru, sound-biting like the old trouper he is.

Ms Lomax' concern for the financial wellbeing of ABP-CBDC is touching, though difficult to fathom. But if Goodway was correct, then the decision to take the Assembly to the Bay was made *before* his spat with Ron Davies, at least as early as October 1997 when Lomax made her offer. Yet according to the official version everything was proceeding as planned to locate the Assembly in City Hall; it was only the failure of Davies and Goodway to reach agreement in *November* that precipitated the contest that led to the Assembly ending up in the Bay.

Mission accomplished perhaps, Ms Lomax moved on to the DSS in February 1999.

- Ron Davies came out of the programme badly. For as Alun Michael was careful to stress in his reluctant admission to the Assembly about the secret deal to extend the lease on Crickhowell House, that deal had been done by his predecessor as Secretary of State for Wales. Ironic in a way, for Davies had never been very keen on the Bay project. But of course he would have been vulnerable to pressure; for what became known to the rest of us after his "moment of madness" on Clapham Common would have been known in certain quarters long before.

- As might be expected, Associated British Ports declined to appear. Though a former employee, unnamed and appearing in silhouette making regular contributions, made it clear that ABP-CBDC was raking in the money because the value of its land and property in the Bay had soared since the decision was taken to locate the Assembly there.

- The extended lease was not properly examined by *Wales This Week*. For example, seeing as Crickhowell House was a white elephant nobody else wanted, surely Ron Davies held the whip hand in the negotiations? That being so, why extend the lease? Especially as the 20-year lease agreed in 1993 was more than adequate to cover the period for which the building would be used to temporarily house the Assembly. For had everything gone as planned, the new, Richard Rogers building would have been completed in 2002.

- Where the programme also failed was in refusing to delve any further into the past than Labour's accession to power on May 1, 1997. This show was clearly intended to embarrass the Labour Party. In fact the Tories came out of it as paragons of probity, defenders of the public purse. To explain how slanted the programme was, even Rod Richards emerged looking like a good guy!

Crickhowell himself did not appear nor, amazingly for the 'father' of the whole project, was the great man even mentioned! Rather like Coleridge writing about Xanadu and pleasure domes without attributing it all to Kubla Khan.

The blatant anti-Labour, 'ignore Tory involvement', slant may be attributable to the fact that the chairman of the HTV group is . . . go on! have a guess. Corr-ect! Lord Crickhowell, the man who had more hats than Imelda Marcos had shoes.

- When one stands back and thinks about this behind-the-scenes activity it takes on a surreal aspect. Here we have diehard Tories like Crickhowell, Inkin, and the rest of the gang, men who have always been implacably opposed to devolution, fighting to get a devolved Assembly down to Cardiff Bay. How do we explain this? Simple: it all boils down to what Woody Guthrie called the do-re-me. For these people the Assembly was never anything more than a substitute Opera House, just another prestige project guaranteed to pull in the punters.

- These shenanigans also tell us that the decision to locate the Assembly in Cardiff Bay was taken long before Ron Davies had his much publicised 'bust-up' with Russell Goodway over Cardiff City Hall in November, '97. To help us clarify the situation it might be productive to focus on Rachel Lomax, and remind ourselves of the situation in 1996, when she was appointed Permanent Secretary at the Welsh Office.

Her background is interesting. For example, she was PPS to the Chancellor of the Exchequer, 1985-86. Then she served as Deputy Secretary in the Cabinet Office, 1994-95. And immediately prior to joining the Welsh Office she had been Vice-President and Chief of Staff to the President of the World Bank. All of which suggests that she was trusted by the Tories.

The timing of her appointment to the Welsh Office was crucial. The Opera House had been 'lost', so another prestige centrepiece was needed. Polls were making it clear that the Tories were going to get hammered in the 1997 general election. Labour had promised us devolution, and polls in Wales showed that a referendum would be won. The only way Crickhowell and ABP-CBDC could salvage something, anything, from the looming disaster was for Cardiff Bay to get the Assembly. Which might explain why Rachel Lomax was recalled from the World Bank after just a few short months with that prestigious organisation.

Then, having been in her job for such a short time when Labour came to power, Labour would have been reluctant to move her, to replace her with someone who could be attacked as a 'political appointment'. Furthermore, having been born in Swansea gave her a certain credibility (not least with the folks back home in the Assembly siting 'competition'). The wider, political advantage for the Tories would be that she'd also be overseeing the implementation of devolution.

We may never know precisely when, or by whom, the decision was taken to put the Assembly in Cardiff Bay, but it seems increasingly obvious that Rachel Lomax was involved in it; maybe put in place to steer that decision through, and also to ensure that Labour didn't get carried away in its enthusiasm for devolution.

This may be no more than we came to expect from the Tories, but what about Labour? For clearly Labour went along with the scheme to take the Assembly to the Bay. It may have been due to the 'control freak' hypothesis given above. Maybe Labour felt that ABP was owed something for not getting the Opera House. As for Ron Davies; given what we know now, he could have been 'persuaded' to go along with the changed plan. The fly in the ointment remained Rhodri Morgan. Ignorant of the plan, he threatened to lead the party in Wales, and maybe undo everything. Consequently, he had to be stopped at all costs.

- Crickhowell's reign at the National Rivers Authority ended with the winding-up of that agency on March 31, 1996. The next day the Environment Agency took over the NRA's functions. Towards the end of 1999 news leaked (no pun intended) that the EA had such grave concerns over the barrage's safety that it was being operated on renewable, two-week licences, and that for some time ABP-CBDC had actually been operating without a licence!

Television programmes early in 2000 showed that ABP-CBDC is secretly emptying the lagoon at night. The problem being that the water in the lagoon can't be kept clean, nor is it being adequately aerated. Which would appear to presage the predicted nightmare of an expanse of dead water, containing all kinds of unhealthy algae and unsightly flotsam, giving off an almighty stink.

We were also shown footage of ABP-CBDC's new, expensive, and ineffectual groundwater

drainage system, threatening flooding in the low-lying residential areas around the Bay. While the barrage's sluice-gates are controlled by a HAL-like computer that might yet provide a 'waterside location' to residents and businesses that have not paid through the nose for the privilege.

If Kubrick hadn't popped his clogs there could be a movie in this. Just think of some of the wonderful dialogue . . .

Barrage operator (now hysterical): Open the sluice-gates, you bastard, or we're gonna flood half of Cardiff.

Computer: I'm sorry, Dave, I can't do that — I was programmed in Swansea.

- The Cardiff Bay Development Corporation was wound up at the end of March, 2000. Its functions, including the maintenance of the barrage, will of course continue to be paid for out of public funds. Associated British Ports, the company that has made so much profit from the whole scam, will again escape having to pick up the tab.

The winding-up ceremony was fascinating. First, because Crickhowell was nowhere to be seen. Instead, Lord Brooks of Tremorfa, local Labour peer, was wheeled out and portrayed as the inspiration behind the whole project. Now I don't doubt that back in the early '80s Jack Brooks might have looked out over Cardiff docks and muttered "Something must be done", but to suggest that he was the driving force is stretching credulity a bit far. It was quite touching to see a bemused and slightly doddery Brooks wondering why he was suddenly the focus of attention.

- Cardiff council was awarded the contract to maintain the barrage by Alun Michael, when Secretary of State for Wales, just before the Assembly elections of May '99 — even though, it's alleged, Cardiff council didn't even tender! And even though Thames Water made a bid cheaper than Cardiff is now being paid, and could also demonstrate the expertise needed for such operations — from its experience of the Thames Barrage — expertise that Cardiff council lacked. In keeping with the whole sorry saga, the money Cardiff will need for the maintenance will come *via* the Assembly from the Welsh budget. In other words, from other areas of the country and fields of public expenditure that need it more.

- Alun Michael, the former First Secretary of the Assembly is the MP for Cardiff South and Penarth, his constituency includes Cardiff Bay, and he has always supported the project. Before taking over the Westminster seat vacated by James Callaghan in 1987 he was a Cardiff councillor.

- The exact figures, terms and conditions, involved in the original and extended leases of Crickhowell House have not been released, protected we are told by "commercial confidentiality". Is this proper, that public money can be spent with the public denied the details?

- In addition to these leases, there has been other expenditure on Crickhowell House that has almost escaped mention. No less than £10m on making that "bog-standard office block" useable. The most recent element of that sizeable figure being the £1m to install air conditioning.

For Crickhowell House is a monstrosity. It's cold in winter, hot in summer. The roof and windows leak. Unsurprisingly, it took a long time to secure its architect's completion certificate. While the Assembly debating chamber itself looks like it was knocked together by the check-out girl from MFI in the throes of a near-debilitating attack of PMT.

- Was it worth it? How valid is the claim we hear time and time again that the Cardiff Bay regeneration scheme has been "good for Cardiff, good for Wales"? That can best be answered by reminding ourselves that two-thirds of Wales now qualifies for Objective One funding because its *per capita* GDP is 75% or less of the EU average. The most recent figure quoted for Cardiff is 132.

Within fifteen or twenty miles of Cardiff Bay can be found some of the most deprived communities in Western Europe. But even South Cardiff, the area around the Bay, qualifies for Objective Two! So if the 'benefits' of Cardiff Bay don't even ripple out as far as contiguous areas, what hope is there for the rest of the country?

In the way of such schemes, the Welsh people have been, not so much beneficiaries of Cardiff Bay, more benefactors to Associated British Ports. Going without so that Cardiff Bay and Associated British Ports might prosper.

- Rhodri Morgan's announcement on March 22 that the new Assembly building was on hold

provoked a storm of criticism. Much of it from the pro-Bay 'Welsh' media. Some of it from people within his own party, men like Ron Davies and Alun Michael who have their own reasons for wanting the past to remain a closed book. And, naturally, the Tories joined in. Though one would have thought that with their party's record in the affair their reaction might be, "Cardiff Bay? Cardiff Bay? Never heard of it, old chap."

Plaid Cymru also waded in, with Cynog Dafis, then MP for Ceredigion and regional AM for Mid and West Wales. Presumably the benefits to his patch from the £500m+ spent in Cardiff Bay is a secret that must be kept from its people; and indeed from the rest of Objective One Wales.

In fact, in one television interview Dafis got almost emotional about the new Assembly building, pleading that Wales desperately needs exciting new architecture such as the Rogers design. How reassuring to know that Wales has no more pressing priorities. He even begged us to spare a thought for those who had invested in the Bay on the assumption that the Assembly would be located there and now stood to lose money! Next thing we know, Dafis will be organising a whip-round for ABP. Is he on a retainer, or what?

- After announcing that the new Assembly building was on hold, Rhodri Morgan received a letter from Grosvenor Waterside, the 'property arm' of Associated British Ports. Signed by one Andrew Brookes it demanded that the new building be proceeded with, and threatened to unleash a plague of lawyers on the Assembly if Morgan didn't do as he was told. But the letter had its humour too. For Brookes wrote that the lease of the land involved had been generously transferred to the Secretary of State for £1! No mention of the secret extension to the lease and the true cost of that land — £10m. What a card!!

Brookes also believed that the Assembly was legally obligated to proceed with the new building. Though Rhodri Morgan clearly disagreed. For he told the Assembly "There is no contract — as far as I understand — apart from buying the land for a pound. Wrong about the amount, Rhodri, but why didn't you call their bluff?"

- For did anyone seriously believe that ABP would dare sue, demanding yet more public money, and by so doing risk opening the whole can of worms? Not even ABP would have had the brass neck to sue. Nor would they be so bloody stupid.

Because if Morgan was right about there being no contractual obligation to build, then ABP would have lost the case. But even if ABP had been right, won their case, and got their new Assembly building, with the full story of Cardiff Bay finally in the public domain ABP's reputation would have had distinctly faecal associations. And those politicians who had aided ABP would have had to find themselves real jobs.

- Rhodri Morgan had three choices: pressing on with the new Assembly building, staying in Crickhowell House, or taking the Assembly away from the Bay altogether. The second of these was the option favoured by the Assembly Tories, arguing that the money saved by staying put could have been spent on schools and hospitals. (Makes ew wanna puke dunnit?) Which, not for the first time in this saga, made them appear the guardians of the public purse, even perhaps, caring 'New' Conservatives *à la* Portillo. But in mid-April I learned of a fascinating twist to the tale which probably explains the Tories' true reasons for wanting the Assembly to stay in Crickhowell House.

- There is an option to extend the lease on Crickhowell House by a *further* twenty-five years, up to AD 2043. Given the evidence of the existing leases, we can confidently assume that this option will work out at around £2m a year. Maybe this was part of the secret deal done between Ron Davies and ABP in 1998. If taken up this further extension of the lease will mean that we'll end up paying over £100m for a building that at the end of it all will still be owned by Associated British Ports! (Or whoever's bought ABP in the meantime.) To which must be added the money spent on maintaining Crickhowell House and making it habitable, a figure already up to £10m. A great deal for the Tories' friends in ABP.

- So, when we know the facts, the Tories' position makes the usual, venal sense. ABP will make more from the extended lease on Crickhowell House than from a new Assembly building alongside. Even so, the money they'll receive for the extended lease is peanuts in the wider context of Cardiff Bay. *All that really matters for ABP* — and their Tory friends — *is that the Assembly stays in the Bay*. For at the risk of repeating myself, when ABP 'lost' the Opera House the Assembly

became the prestige centrepiece needed to pull in the punters, and hike up what ABP could charge them.

- Rhodri Morgan made the right decision in putting the new Assembly building on hold; pity he didn't see it through, pull out of the Bay altogether. But then, Morgan is a nice bloke; the type you could enjoy a pint with, or accompany to a rugby match, but he lacks substance and depth.

- On February 14, 2000, I referred the Cardiff Bay regeneration scheme, the expenditure of public money, the role of certain individuals, and other matters, to the House of Commons Committee of Public Accounts. For although the Welsh Assembly was then in being, the matters referred to went back to 1987 or earlier. On April 6 the PAC informed me that my request had been passed on to the Audit Committee of the National Assembly for Wales. This was acknowledged on April 18 by Andrew George, Clerk to the Audit Committee.

Eventually, after a number of faxes and telephone calls, I received a letter from Janet Davies AM, Chair of the Audit Committee, dated June 7. The letter told me that, in relation to Cardiff Bay, the Audit Committee would " . . . take evidence later this year on the Cardiff Bay Barrage project; arrangements for the wind up of the Cardiff Bay Development Corporation; and on the National Assembly building." In other words, little more than skimming the surface of the cesspit. The Audit Committee's deliberations would be informed, if not limited, by reports then being prepared by the National Audit Office Wales (NAO) on behalf of the Auditor General.

I wrote to the Auditor General for Wales, Sir John Bourn KCB, and again to the House of Commons Public Accounts Committee asking, basically, why the issues I'd raised in my original complaint, and in this document, had been ignored.

The response I got in a number of letters, from both London and Cardiff, can best be summed up by a letter dated August 15 from Ann-Marie Harkin, Private Secretary to the Auditor General for Wales. In this one-paragraph letter Ms Harkin says, "There is nothing I can usefully add to those letters." Which I interpret to mean: 'Go away, and stop bothering us with awkward questions we have no intention of even asking, let alone answering.'

- As mentioned earlier, I was also trying to find out if the CBDC had bought land in the Bay (not owned by ABP), and if so, what had happened to such land. As the CBDC had been wound up I telephoned the Welsh Development Agency, where someone confirmed that the CBDC had bought land in the Bay, and directing me to write to Nicholas Neal, Managing Director of the WDA's Land Division.

This I did on June 26. Asking Mr Neal to identify the parcels of land bought, their size, date of purchase, prices paid, names of the vendors, why the CBDC felt the need to buy them, and which of the purchases had been compulsory. I also needed to know who *now* owned those parcels of land. And if the WDA or the CBDC had passed land on to a third party, then I needed to know the justification for that transfer. And of course, how much the WDA or the CBDC had received for the land.

Nicholas Neal replied on July 4. He was unable to provide the information I required. He wrote, "My understanding is that the Corporation has lodged its historical information in the Public Records Office". In fact, the records are with the Glamorgan Archives. The lady I spoke to at the GA could only confirm that they had been inundated with paperwork from the CBDC, this was now spread over a number of locations, and might never be fully inspected and catalogued. Thereby ensuring that yet more evidence relating to Corruption Bay is inaccessible.

- Many people have gone to great lengths to ensure that the Welsh people don't know the truth about Corruption Bay. After reading this, you should understand why. You should also make it your duty to see that the full truth is brought into the public domain.



SUMMARY

Cardiff Bay, "the largest waterfront regeneration scheme in Europe", was conceived in the early '80s with one object in mind — to benefit Associated British Ports. That's why Secretary of State for Wales Nicholas Edwards MP, later Lord Crickhowell, eased himself and his cronies into almost every position that could facilitate that aim. And, of course, it's why Crickhowell joined the board of ABP — to get his snout in the trough.

The conduit by which over £500m of public funding reached that trough was the Cardiff Bay Development Corporation, Edwards' creation, that was never anything more than ABP's private quango. But in terms of overall income for ABP the £500m+ was seed-corn, almost insignificant compared with what it encouraged in private investment. In fact, the private investment is often used to justify the public funding. "Money well spent" we are told . . . but we are never told that the beneficiary of both is Associated British Ports.

The extent to which Crickhowell could get Conservative governments to help ABP was quite astonishing. First, with the government-sponsored Cardiff Bay Barrage Bill, that allowed the damming of the Taff-Ely estuary to create a lagoon instead of the tidal, and punter-detering, mud flats, then with the extraordinary leasing of Crickhowell House. For this modestly named building was an office block that ABP just couldn't get rid of, nobody wanted it. Until in 1993, the Welsh Office under David (now Lord) Hunt, stepped in to lease it from ABP for twenty years at a total cost of over £20m. (Roughly double what it had cost ABP to build it.) But the Welsh Office didn't even need the building, and never utilised more than a third of it!

To make Cardiff Bay even more profitable, it was necessary to secure a prestige centrepiece, to attract investors and to further increase what ABP could charge for land and renting or leasing the buildings it owned in the Bay. The original centrepiece planned was the Opera House, with the driving force behind that plan Crickhowell in one of his many guises.

When that plan fell through the search was on for another prestige project. Not for the good of Wales, but for the benefit of the directors and shareholders of Associated British Ports. The obvious, perhaps the only, option, became the National Assembly. The squalid machinations behind the decision to take the Assembly to Corruption Bay meant that the 'competition' was a cruel charade, over before it had even started.

For ABP seemed to enjoy as much influence with Blair's New Labour government as with its Tory predecessors. How else do we explain the expensive and wholly unnecessary extension to the lease of Crickhowell House? And if that was such a good deal, why did Labour try so hard to keep it secret?

The Cardiff Bay scheme was supposed to be "good for Wales", yet now, two-thirds of Wales qualifies for EU Objective One funding because its *per capita* GDP stands at 75% or less of the EU average. Cardiff Bay provided no benefits whatsoever for the rest of Wales; on the contrary, it contributed to the impoverishment of the Valleys and the Swansea Bay conurbation by sucking in public funding and private investment that was more sorely needed in these regions.

There cannot be another example in Welsh history where political power was so blatantly abused over such a lengthy period of time for private gain. Making the Cardiff Bay regeneration scheme Wales's biggest financial scandal and worst case of political corruption.

That this national disgrace is still being hushed up is due to a number of factors. **With both Tories and Labour implicated, and a general election approaching, neither of those parties wants to lift the veil.** Plaid Cymru is the party of the Welsh-speaking middle class, a group for which thousands of jobs has been created in Cardiff. The great majority of those jobs are guaranteed, directly or indirectly, by the UK State, so Plaid daren't rock the boat.

Anyone wondering why this scandal has gone largely unreported needs only to know that the 'Welsh' media is cowardly, incompetent, (based in) and biased towards Cardiff. At the mere thought of taking on someone as powerful as Crickhowell, Welsh journalists need a change of underwear. Too many journalists in Wales are not Welsh, and just don't understand (or care) what's going on around them. The Cardiff-based 'Welsh' media now sees its role as being to promote Cardiff rather than to report Wales.

RECOMMENDATIONS

It must be made clear to Associated British Ports (or whoever may buy the company) that the **days of wine and roses are over**. Cardiff docks has been turned from a wasteland into prime real estate, a barrage and infrastructure provided, all at the taxpayers expense, now it's time for whoever owns this wonderland to start paying their own way. **Not a penny more of public money must be put into Cardiff Bay.**

As for Cardiff Bay providing a home for our Assembly, the meanest and dirtiest town in Wales would have been worthier and more fitting than Cardiff Bay, which is irredeemably tainted. To locate the home of our new democracy there, to use the setting of Corruption Bay to debate how we build a better, fairer, more honest Wales, is akin to discussing chastity in a whorehouse.

Cardiff Bay is part of a wider problem that sees Wales today taking on the aspects of a third world colony: the impression of locally-held power, when in reality it resides elsewhere; with a capital that sucks in all investment and opportunities for itself lording it over an exploited and underprivileged 'interior'. **Welsh life**, in politics, administration, business, the arts, the media, even sport, is now concentrated on Cardiff to a dangerous degree.

Consider: Crickhowell, Inkin, and a few others were, without a democratically-cast vote between them, able to exert massive political influence, and a greater degree of control over Welsh economic life than all those we had elected. This is what we can expect if Welsh life remains centralised on Cardiff.

So strange, for one of the arguments used in favour of devolution was that the UK State is over-centralised on London, with the better career prospects and business opportunities restricted to the south-east of England. Yet now we are replicating that very problem in Wales! Is exchanging London for Cardiff supposed to be an improvement?

Despite the evidence, **the Assembly refuses to share employment and prosperity around the country**. By which I mean, the Assembly (theroretically, at least) has the power to disperse quangoes and other public bodies out of Cardiff. To do so would not only provide jobs in areas where they're more needed, and *foci* for further investment, it would also help break up the cliques and cabals that do so much damage to the rest of Wales from their Cardiff bases. But, then, such a policy would be frowned upon in London, which probably explains why the Assembly refuses to even consider it.

Pinning all hope on Objective One is not enough (and no more than passing the buck), the Assembly must prove its own commitment to the rest of Wales, to redressing the balance, and mere words will no longer satisfy. The Assembly must start devolving out of Cardiff and directing investment away from Cardiff-Newport and border Clwyd.

i can think of no better way to conclude this document than by quoting, and hopefully exploding, the argument used against us benighted denizens of the 'interior' when we complain that we aren't even getting the crumbs from Cardiff's table. We are rebuked with, **"Wales must have a capital to be proud of"**.

The kind of argument that might have been used by a medieval robber-baron. Can't you just hear the blue-blood thug loftily intone: "This shire must have a castle to be proud of. And it will be a joint venture — you serfs will pay for it, and I, my family and hangers-on will enjoy its benefits. Sharing the same shire as my wonderful castle then allows you serfs to bask in its reflected glory; much more satisfying than material things. Trust me, I'm a robber-baron!"

This kind of argument was, and remains, **fatuous, insulting, self-serving nonsense!**

Today's robber-barons wear pin-stripe suits not suits of armour, but they're still telling the 'serfs' of Tredegar and Townhill, Gwaun-Cae-Gurwen and Gwalchmai, to ignore their communities' decline — because Cardiff's booming! When these serfs of the interior dare raise their voices, they're told that they lack imagination, even national pride, for not being suitably ecstatic about the wonderful things happening in Cardiff.

Let's get this straight: a capital to be proud of may (or may not) be desirable, but a whole country to be proud of is infinitely preferable.