

S E C R E T

No.194.....

Memorandum for the Cabinet by
the Hon. Prime Minister

Arbitration and Adjustment of Anomalies

Reference is made to Memo to Cabinet No. 165 of the 18th June, 1963, which was discussed on the 27th August, 1963, and on which it was agreed

- (i) that Staff Side of the Malta Government Joint Council should be invited to discuss with Official Side the recommendations of the Special Committee set up to examine anomalies that might exist in the salaries of non-industrial employees in the Government service;
- (ii) and that, provided Staff Associations concerned were willing (a) to cancel immediately the "work to rule" instructions given by them to Government employees and (b) to waive their claim to arbitration under the 1959 agreement, Government would be prepared to consider suggestions made by Staff Side, so long as the total cost of all the adjustments that might be proposed to be made to salaries did not exceed that of the recommendations of the Special Committee, i.e., £10,000 p.a. for the first year rising to a possible maximum of £23,000 per annum.

2. To obviate misunderstandings, when the Malta Government Joint Council met on September 6, Staff Side were given the prepared statement annexed at Appendix 'A', to which Staff Side replied, five days later, by another prepared statement, copy annexed at Appendix 'B'.

3. In substance, as well as in the verbal amplification of their statement, Staff Side contend that such anomalies as Government recognises should be implemented forthwith. They are also prepared to renounce the 1959 arbitration agreement on two conditions, namely:

- (a) Independent arbitration on anomaly disagreements.
- (b) A new standing agreement for automatic arbitration on all arbitrable issues, to be effective from April, 1964.

/4.

4. Official Side pointed out in oral discussion that condition (a) nullifies the offer to renounce to the general arbitration under the 1959 agreement, since it could very well itself involve an arbitration all along the line. It is understood that Staff Side had no strong defence, and the impression was gained that they had put this condition partly as a face-saver and partly as a bargaining point in their efforts to secure condition (b).

5. The claim by Staff Side for automatic arbitration is not of recent origin. A formal motion was tabled in the Malta Government Joint Council on the 12th May, 1961. On the 1st September, 1961, Staff Side were informed that the motion could not be accepted. The reason was the substantial effect which any pay award would be bound to have on the budgetary position. The economic/financial situation can not be said to have improved since. On the other hand, Ministers are no doubt aware that the industrial employees in the Malta Government service, as well as all categories of employees outside the Government sector, have automatic arbitration as of right. Moreover, Staff Side were offered automatic arbitration, up to and including Higher Executive Officer level, in return for renunciation of the 1959 arbitration agreement, back in January, 1962, a package deal which they rejected. It is therefore by no means altogether easy to resist such a claim now. However, the grant of automatic arbitration at the present moment would run counter to the declared Government policy to avoid arbitration of any sort.

6. Ministers will recall my statement in Parliament on the 9th March, 1963, when I had occasion to say:

"Jekk, Sur President, l-iStaff Side ma tridtx illi jirronjaw l-anomaliġi, allura l-Gvern ma ghandux jithabat u jhabbel rasu izjed fuq l-kwistjoni: jistenna d-decizzjoni ta' l-iStaff Side. Pero' mhux fair u f'postu illi l-Onor. Pellegrini jghidli illi jiena ghamilt il-Kumitat ta' l-Anomaliġi flok arbitration! Il-kwistjoni ma ghandha x'tagsam xejn; haga separata mill-ohra. Jiena ghidt illi l-arbitration fiċ-ċirkostanzi finanzjarji tal-lum ma tistax tigi kkonsidrata. Jiena ghidt illi naf illi jeziztu anomaliġi u illi jiena kont lest, ippreparat illi dawn l-anomaliġi nikkorregihom avolja dawn jiswew il-flus. Pero' hemm il-limiti, u sa dawn il-limiti jiena kont lest biex nilqa t-talbiet ta' l-iStaff Side, tas-Civil Service. Jekk huma ma jridux jikkooperaw fuq dan il-materja, ir-responsabilita' ma tibqax fuqi, jew fuq l-Onor. Pellegrini, imma r-responsabilita' tigi fuq l-iStaff Side stess".

/The

The Cabinet decision of the 27th August, 1963, on a line of action as per Appendix 'A' hereof, was entirely consistent with the attitude expounded in Parliament on the 9th March, 1963. As Members are aware, there has since been no change in the situation.

7. The Cabinet are invited to tender advice on the attitude to be taken in the Malta Government Joint Council in reply to the Staff Side statement of the 11th September, 1963 (Appendix 'B').

(1.10.63.)

A.
—

Staff Association claims for removal
of anomalies in salaries of
Malta Government employees

The committee appointed last November to examine anomalies that might exist in Government non-industrial salaries, having completed its task, has made recommendations involving an expenditure of £10,000, rising to £23,000 per annum.

2. Before proceeding to take decisions on these recommendations, the Government would wish to hear the views of staff associations on the recommendations, and to consider such adjustments as the Staff Side might wish to suggest within the limits of expenditure recommended by the committee. There could thus be an endeavour to reach agreement on individual cases of salary anomaly within those global limits of cost.

3. As regards any suggestion of arbitration on the adjustment of salary anomalies, it has to be stated that the financial and economic situation has deteriorated further, and the Government policy to avoid arbitration of any sort therefore still stands.

4. Negotiations as in para. 2 above are offered, and can start, on two conditions, namely:

- (a) That staff associations cancel immediately the "work to rule" instructions given by them to Government employees.
- (b) That staff associations renounce their claim to arbitration under the 1959 agreement.

(6. 9. 63.)

Staff Side statement on the salaries
of non-industrial employees

1. The Staff Side, in consultation with other Government Staff Associations, have considered the statement made by the Official Side at the Joint Council meeting of the 6th September, 1963, and find it completely unacceptable.
2. Once Government has recognised the existence of anomalies they are in duty bound to correct them forthwith.
3. The Staff Side strongly contend that their right to submit their claims for the correction of anomalies to independent arbitration should be recognised unconditionally. This would enable them to cancel the "work to rule" and to abandon any further contemplated action.
4. The Staff Side would also be prepared to consider renouncing to the 1959 Arbitration Agreement only if the Official Side would agree to a Civil Service Arbitration Agreement on the lines of that in force in the United Kingdom with effect from April, 1964.