

Memorandum for Cabinet by the Hon. Prime MinisterAdjustment of wages of Industrial Employees

On the 17th August, 1967, the Cabinet discussed the claim, made by the General Workers Union, for corresponding adjustments in the wages of industrial employees in Groups I to VIII and for the setting up of a Commission to recommend the removal of anomalies in the Groups. The Union's claim was:

- (a) adjustment of wages in Groups I to VIII to bring them up to the same level as the adjusted salaries, in order that the industrial employees' case would not go to the Commission at a disadvantage;
- (b) the reference of the wages structure, after adjustment as at (a), to a Commission constituted differently from that for the non-industrial employees;
- (c) all adjustments under (a) will not be implemented before the report by the Commission.

It was agreed that the General Workers Union be informed that Government had decided to accept the Union's claim for the extension to Groups I to VIII, of the recent salary increases and that any further anomalies alleged to exist within the said groups be examined by the same Commission set up for the salaried employees.

2. An Establishments Committee met a delegation of the General Workers Union on the 19th August, 1967. The latter were informed of the Government's decision in the preceding paragraph.

3. The General Workers Union were asked to submit a detailed claim. The details which they had prepared for the meeting, however, contained only the maxima of the groups, which they had converted to the approximate annual equivalents shown below:-

<u>Group</u>	<u>Present - inclusive of 8%</u>	<u>Claimed - inclusive of 8%</u>
I	£338. 13. 0d	£340
II	£363	£400
III	£378	£420
IV	£417	£445
V	£442	£475
VI	£464	£500
VII	£522	£570
VIII	£550	£740

4. As a general remark on the claims made by the Union in the third column, it may be said that the figures are based on offers already made by Government to comparable salaried grades. The Union has, however, picked up cases where the authorised increase contains not merely a projection, but also an anomaly uplift. This point was explained to the delegates, and they were informed that what Government had authorised was a simple projection in order to meet the Union's objection that the industrials should not go to the Commission at a disadvantage; any further claims regarding anomalies should be left to the Commission.

5. The delegates made particular stress on Groups I, VII and VIII. The following are Establishments remarks on the Union's claims, group by group.

Group I

6. This group is on the minimum wage. The Union claimed that the present minimum wage of 130s. 3d per week, which is equivalent to £338. 13. 0d per year, should be increased to the equivalent of £340 per year, which is the rounded-up minimum of salaried employees. They claimed that this was a matter of principle only, as the annual difference amounted only to £1. 7. 0d. On examination it was found out that the Union's annual figure of £338. 13. 0d was incorrect, as the minimum wage of 130s. 3d per week, when converted per annum amounts to £339. 14s 9d. Although the delegates were told that the correct difference of 5s 3d per year, if added to the weekly wage, would amount to an insignificant increase of one penny and a farthing per week, they insist that, as a matter of principle, this increase should be allowed.

7. Establishments are of the view that there might be an ulterior motive behind this claim. It is easy to imagine the political capital that would be made in the press by a Government increase of a penny a week in the minimum wage. The adjustment of the minimum wage, small as it is, is not, therefore recommended.

Groups II to VI

8. The maximum claimed for these groups contain, inflations ranging from £5 to £20, for the reason explained in paragraph 4 above.

Group VII

9. It is on this and the following group that the delegates will be exerting maximum pressure to have their claims met in full. The Union has repeatedly maintained that in 1948, the Government had accepted parity between the Fitter I and the Clerical Officer. It is understood that this claim is based on a statement made in Parliament in a Budget Speech in 1948. It remains a fact, however, that perfect

parity in salary between Clerical Officers and Fitters or any other employees in Group VII, did not exist on the 31st March, 1966, on which date the maximum salary of Clerical Officers amounted to £535 per annum whereas employees in Group VII had a maximum wage equivalent to £522 per annum. It is proposed that the claim should, subject to (c) of paragraph 1 of this Memo, be met up to £555. This is simply a projection of the amount of £522, the claim for absolute parity with the Clerical Officer grade to be left to the Independent Commission for consideration.

Group VIII

10. This group consists of the temporary Foremen grade including - Chargehand, Crop Protection Officer, Master Mason, Foreman of Mechanics and Mechanic i/c Workshop. The claim is based on the allegation that this group of employees, or at least some of them perform the same duties as Foremen on the Pensionable Establishment now paid at a maximum salary of £740 per annum.

11. The similarity exists only in the nomenclature and only partly. In fact it is clear that a Chargehand, a Crop Protection Officer, a Mechanic i/c of Workshops, do not perform the same duties as Foreman of Works. Moreover, Foremen in receipt of a salary maximum of £740 per annum are recruited through a public competitive examination of a high standard, if compared with the recruitment standard of employees in Group VIII.

12. It can further be stated that parity in salary between employees in Group VIII and Foremen on the pensionable establishment has never existed. Thus on the 31st March, 1966, Foremen on the pensionable establishment enjoyed a salary of £707 per annum as compared with £550 which was the annual equivalent of wages of employees in Group VIII. As it should be the only purpose of this exercise to restore relativities in the industrial grades to the position existing on the 31st March, 1966, before referring the Union's claims to the Independent Commission, Establishments are of the view that the wage of Group VIII should only be increased to an annual equivalent of £600.

13. As a result of the above considerations, Establishments are recommending the following adjustments in the wage scales:

<u>Group</u>	<u>Present scale</u> <u>per week</u>	<u>Proposed scale</u> <u>per week</u>	<u>Approximate</u> <u>annual equivalent</u> <u>of maximum</u>
I	130/3	130/3	£340
II	130/3 x 2/2 - 139/3	130/3 x 2/6 - 145/9	380
III	136/- x 2/2 - 144/6	139/6 x 2/6 - 153/6	400
IV	139/3 x 4/0 $\frac{1}{2}$ - 159/9	145/6 x 4/6 - 168/-	438
V	149/6 x 4/0 $\frac{1}{2}$ - 169/-	156/- x 4/6 - 178/6	466
VI	157/6 x 4/0 $\frac{1}{2}$ - 178/-	167/3 x 4/6 - 189/9	495
VII	161/- x 6/2 $\frac{1}{2}$ - 200/3	170/9 x 7/- - 212/9	555
VIII	165/- x 8/1 - 211/-	179/6 x 10/- - 229/6	600

(all increments shown are biennial)

14. The increases recommended are related to the published offers for non-industrials, and not to the improved offers shortly to be made by Government. Although these improved offers will be made on the basis of anomaly rectification, it is practically certain that the Union will be asking for more when these offers are published.

15. The proposed offers at paragraph 12 above have not been disclosed to the Union, who were informed that besides Government approval, the Services Department as members of the Joint Industrial Council have to be consulted before a definite offer is made to the Union. This will, of necessity, take some time. However, it is suspected that the Union will be loath to sign the agreement for the setting up of the Commission, before they know what the Government has to offer for the industrial groups.

Commission for the Industrial Groups

16. The Union demanded the substitution of Dr Busuttill, Staff Side nominee, by some other nominee who was more familiar with the skilled trades. They were however informed that by changing one member, the whole Commission would be changed and that Government could not see why there should be two Commissions. The Union was informed that Government would agree to the appointment of a technical advisor to the Commission. The delegates did not find any objection to this suggestion, but reserved their position until they could refer the matter to their Executive Committee.

17. It is to be pointed out that, in effecting any changes in the wages of industrial employees, the Services, who form part of the Official Side of the Joint Industrial Council, have to be consulted.

18. Hon. Ministers are asked to agree that:

- (a) the General Workers Union be informed of the proposed improvements in the wages of the groups as shown in column 3 of paragraph 13;
- (b) that the Services Departments be informed of the proposed increases before these are made known to the Union.

26th August, 1967.
