

MEMORANDUM FOR CABINET  
BY THE HON. PRIME MINISTER

ANOMALIES OF INDUSTRIAL EMPLOYEES

The General Workers' Union have requested that an anomalies exercise, similar to the one being held for non-industrial employees, should be held for industrials. They have in mind the adjustment of anomalies in the wage scales of the eight groups comprised in the Standardization of Wages Scheme - copy enclosed. They have requested the appointment of an "ad hoc" committee to start negotiations. This claim has been made direct to Government, and has also been raised in the Joint Industrial Council.

2. The General Workers' Union representatives laid stress on the following three points which they consider constitute anomalies in the Industrial Wage Structure:-

- (a) Certain trades deserve a higher classification;
- (b) All scales overlap; and
- (c) Relativities with non-industrials have now been disturbed.

The point at (a) has still to be proved. The fact that scales overlap is not, in itself, considered anomalous. Indeed all scales in the non-industrial structure are also overlapping.

3. It cannot, however, be denied that relativities with corresponding grades in non-industrial wage structure have been disturbed. The following glaring examples can be quoted:-

- (i) The maximum of Clerk Typists (169/- per week or £440 16s. 2d per annum) was, until 31st March, 1966 equal to the maximum of Group V Industrial employees. The maximum of the scale of Clerk Typists has now been revised to £475 per annum.
- (ii) Both minimum and maximum of Storehouseman (149/6 and 169/- per week or £389 18s. 11d and £440 16s. 2d per annum respectively) were until 31st March, 1966 equal to those of Group V employees. The scale of Storehouseman has now been revised to £400/£475.
- (iii) Both minimum and maximum of Shorthand Typists (161/- (age 19) and 200/3 per week or £419 18s. 10d and £522 6s. 4d respectively) were equivalent to those of Group VII employees; the scale of Shorthand Typist has now been revised to £430/£570.

4. The immediate question that has to be decided is whether the Union's request for direct negotiations on their claim should be acceded to. Apart from the fact that it is doubtful how far it would be correct to negotiate, outside the Joint Industrial Council,

on a claim relating to wages of industrials, it cannot but be expected that any negotiations will lead to a situation similar to that reached in the negotiations for non-industrials. These have culminated in the setting up of the Independent Commission. It would therefore appear that negotiations with the Union on (a) and (b) in paragraph 2 of this Memorandum could hardly be finalized before the findings of the Independent Commission are known, and this might lead the Union to claim submission to the Commission straightaway. At this stage this would be dangerous as, in that eventuality, the wages of Group I (the minimum wage) could be claimed to be arguable before the Commission - a situation which the Government has so far tried to avoid.

5. What could be done in the meantime is to examine how far the adjustment of salary anomalies approved since 1st April, 1966 inevitably reflects on grades paid by the week now classified in Groups 1 to 8 of the Standardization of Wages Scheme, for instance, in the case of fitters, foremen and others where anomalous salaries of corresponding posts on annual salaries have been adjusted. In these cases it seems inevitable that a corresponding adjustment be made with effect from 1st April, 1966.

6. Hon. Ministers are requested to agree on principle that, at this stage, only the adjustments referred to in paragraph 5 above be made. If this is agreed the Union will be asked to submit detailed claims for consideration.

4th July, 1967

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STANDARDISATION OF WAGES SCHEME

Group	Present Scale without 8%	Including 8%
Group I Labourers etc.	120/9	130/3
Group II Caretakers/Fatiguemen etc.	120/9 x 2/- - 128/9	130/3 - 139/3
Group III Skilled Labourers, Mates, etc.	126/- x 2/- - 134/-	136/- - 144/6
Group IV Semi Skilled trades grade II e.g. Engine Driver II	128/9 x 3/9 - 147/9	139/3 - 159/9
Group V Semi Skilled trades grade I e.g. Engine Driver I and Fully Skilled trades grade II e.g. Fitter Grade II	138/6 x 3/9 - 156/6	149/6 - 169/-
Group VI Fully Skilled trades grade I e.g. Carpenter Grade I	146/- x 3/9 - 165/-	157/6 - 178/-
Group VII More highly skilled trades Grade I e.g. Fitter Grade I	149/- x 5/9 - 185/3	161/- - 200/3
Group VIII Supervisory Grades e.g. Foreman	153/- x 7/6 - 195/6	165/- - 211/-