

MEMORANDUM FOR THE CABINET
BY THE HONOURABLE PRIME MINISTER

At the meeting of the Joint Consultative Body (which is the official Side of the Joint Industrial Council) held on 7th June, 1967, the Civil Secretary to the Commodore Superintendents Malta informed the Secretary Ministry of Finance, Customs and Port, that he had received semi-official news from London to the effect that the Ministry of Overseas Development had agreed to extend the 4% increase to employees in U.K. Government Departments. The matter was now awaiting formal authority from the U.K. Treasury. The representatives of the Service Departments made it clear, however, that officials in London were agreeing to this increase only on terms of "Good Employer Policy" and not on a cost-of-living or wages policy basis.

2. The Civil Secretary also informed the Chairman of the J.C.B. that London officials had expressed their doubts on whether the Joint Industrial Council was still an effective and useful body, at least from the Services' point of view. This feeling which is primarily due to the fact that the local labour strength of the Services was constantly diminishing, has been further strengthened by the recent grant of 4% increase in wages by the Malta Government without prior consultation with the Services. The U.K. Government were therefore considering whether they should withdraw from the Council. If, however, the Malta Government felt that their presence in the J.I.C. was still useful, they would be prepared to reconsider the matter in the light of any reasons which the Malta Government might bring forward. They have, however, made it clear that, if J.I.C. should remain constituted as it is, the Services would expect an assurance that in future before any changes in the conditions of service of industrial employees are effected they would be consulted in terms of the Constitution of the J.I.C.

3. The problem of whether the J.I.C. should continue to function as it is now has therefore been passed to the Malta Government. In view of the constantly decreasing number of Services' employees, which will be further accentuated by the run-down, it is not considered that Government will be deriving any great benefit from its continuance. The dissolution of the J.I.C. would not create the necessity of establishing alternative industrial machinery for the Government employees as the General Workers' Union are already represented on the Malta Government Joint Council, where all matters concerning industrial employees which did not affect the Services employees have been discussed in the past. The only objection might come from the G.W.U. who may claim the same right to automatic arbitration which they enjoy in the J.I.C. It may be mentioned here that a claim for automatic arbitration has been on the Agenda of the Malta Government Joint Council for a considerable time, and so far Official Side have avoided the issue.

4. From the Services' point of view, the matter is however different. Under the existing laws, the U.K. Government Departments in Malta are considered to be a 'public' sector (in the same way as a Malta Government Department), and are therefore exempt from the local legislative provisions in the industrial field. There is therefore reason to believe that, if the Government decides to dissolve the Joint Industrial Council, the G.W.U. would insist that suitable amendments in the industrial legislation be made so that the Services' position in the industrial field would not remain in the present privileged position, but would become similar to other fairly big employers in the Island.

5. In the circumstances, in view of the complications which the immediate dissolution of the J.I.C. may bring in its train, it would seem advisable that the Services be told that it is Government's wish that the J.I.C. should continue its work for the time being. However, the Services will want to be given an assurance that in future the Government will consult them in advance whenever any change in the conditions of service affecting Service industrial employees is contemplated.

6. Another reason militating in favour of the continuance of the J.I.C. is the fact that the Services' representatives have linked the question of the J.I.C. with the terms of the 4% offer to employees in the U.K. Government Departments. They have taken the stand that they cannot make this offer before Government's intentions in regard to the J.I.C. are made clear to them. They have in fact stressed that if it is decided that the Council should be dissolved, although agreeing to the 4% increase with effect from 1st April, 1967, they may not commit themselves to negotiations for any further percentage increase in 1968. In the circumstances it is necessary that the J.I.C. issue should be resolved before the Council meets again in order that the 4% wages offer to U.K. Government employees, for which the G.W.U. are pressing, will not be delayed any longer.

7. Hon. Ministers are therefore asked to state whether they agree that the Joint Industrial Council should continue to function.

5/7/67.