

MEMORANDUM FOR CABINET BY
THE HON. PRIME MINISTER

Salaries of Medical Officers

Salary negotiations with the Medical Association of Malta were resumed on the 22nd June, 1966. (1) The Medical Association have made it clear that their claims ranging from a maximum of £1,300 for the basic grade of medical officer to £1,850 for the Chief Government Medical Officer do not meet their true aspirations but the Association has limited its claims to within the top salary of £1,890 now current. They argue that these improvements are necessary in order that the position of Medical Officers in the Government Service may not be substantially worse than that of Medical Practitioners in private practice. They also drew attention to the fact that the recent increases in the United Kingdom, in some cases of the order of 43%, are bound to exert a strong pull on the Medical Profession of Malta and it is in the public interest that the Government should pay its doctors a reasonably adequate salary if it wishes to retain and improve the standard of the medical and health services in Malta.

There is much force in the arguments put forward by the Association but what is true of the Medical profession may be equally true of the other professional grades and of the senior General Civil Service. As the process of development accelerates the Government service is bound to lose staff, both professional and otherwise, to industry and the private sector. The doctors' claims therefore raise a matter of major policy and it has to be determined whether the country can afford to risk losing trained men for lack of adequate salaries.

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(1) The M.A.M. had previously requested, and the Prime Minister agreed, that the anomalies adjustments recently approved should not be implemented, as far as the doctors are concerned, before the negotiations with the M.A.M. are concluded.

The recent anomalies proposals were so framed as not to make it inevitable that the salaries of officers now paid at £1,525 (£1,647 inclusive of 8%) and over, should be raised. The following table shows the broad position as a result of these salary adjustments:

Present Grade		General Service	Legal Service	Medical Service	Engineering Service
I	Admin. Sec. Secretary, Ministry of Finance C.A.G.	£1,890	£1,890		
II	Secretaries in other Ministries U.S. D.C.A.G. C.G.M.O. D.P.W.	£1,650	£1,650	£1,650 (£1,850)	£1,650
III	P.A.S. S.M.O. S.H.O.	£1,550		£1,550 (£1,650)	
New Grade	A/D.P.W. S.C.C. Senior Consultant Magistrate	£1,450	£1,450	£1,450 (£1,550)	£1,450
IV	Asst. Secretary Crown Counsel Consultant	£1,350 (max.)	£1,350 (max.)	£1,350 (£1,450) (max.)	£1,350 (max.)
V	A.O. Advocate Doctor Engineer	£1,200 (max.)	£1,200 (max.)	£1,200 (£1,300) (max.)	£1,200 (max.)

The figures in brackets represent the doctors' claims and it will be readily seen that if these are accepted, they are bound to have an effect on other sectors of the service. For instance, acceptance of the claim for a basic salary of £1,850 for the C.G.M.O. would certainly raise a claim for a similar increase by Secretaries in Ministries and other senior officers now paid at about £1,650, e.g. Director of Public Works.

It is clear that the salary claims put forward by the Medical Association of Malta raise the important issue of whether the Government intends to hold fast to

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its present policy in relation to the salaries of the top grades of the Service or not. Ministers will appreciate that before a clear line of policy is set out in this matter negotiations with the doctors will have to come to a deadlock. In that event the M.A.M. is bound to request that their claims be referred for settlement by arbitration.

..... In the consideration of this issue the annexed letter recently received from the United Nations Development Programme Representative may be relevant.

6th July, 1966.

18th June, 1966.

Dear Mr Cuschieri,

When reporting on the question of encouraging entry to the Higher Civil Service, on a specific and limited basis, I expressed the view that the whole subject of the pay of the Higher Civil Service ought to be reviewed on the broadest basis (my letter of 2.2.66 to Mr Mallia).

It was then the eve of a General Election, not an appropriate time to initiate such action. Now, at the commencement of a five-year period of office, the Government of the day is in the most favourable position to tackle this matter. It does not need demoralisation that salaries as a whole have fallen behind other sectors and are too low, and it is also clear that in the upper ranges the pyramid has become too flat and the differentiation at the higher levels too small. At the same time, the responsibilities of the Government and therefore the responsibilities of the Civil Service are continually increasing in range and depth. The successive Development Plans cannot be carried out efficiently and at the pace envisaged without the maintenance and some strengthening of the present cadres. Some of the effects of this kind of action take years to work themselves out, and it is important that steps be taken as soon as possible to reduce the present very real risk that the implementation of the Plans will be delayed or prejudiced through shortcomings in the public administration. This has proved a severe limiting factor in the development plans of a large number of developing countries.

I would myself take as a working hypothesis that the main requirements are a substantial overall increase, which is not very likely to turn out less than of the order of 20 to 25 per cent in certain grades, together with a revised structure which will provide increased differentiation in the upper ranges. I would also get as a third point regarding pay - rather less urgent than the others, but likely to be a useful safeguard within the five-year span - some continuing machinery which can be used to advise the Government on further subsequent adjustments without the difficulty of a return for new decision. In addition to the pay question, I feel that revision of the mandate of the Public Service Commission in order to give more weight to merit as compared with seniority than at present in making promotions is needed.

/While....

The Hon. E. Cuschieri, C.B.E.,
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Auberge d'Aragon,
Valletta.

While there are some leading citizens outside Government - and the article in the "Times of Malta" of 10.6.66 was encouraging evidence - who have an understanding of the country's real requirements in this respect, it does not seem that action sufficiently far-reaching to be effective, if brought forward simply as an administrative action, would at present command sufficiently broad-based support to be acceptable to Parliament and public opinion. That is, the immediate problem is not so much to fix new scales etc. but to determine a procedure which will inform and involve in the process leading elements in the community, and so mobilise adequate support for the necessary action.

There are a number of forms which an enquiry might take. A typical Commonwealth pattern is of course the Royal Commission, where a body which contains persons who may come from inside or outside Government, and are drawn from the main relevant sectors of the community, is given wide powers of taking evidence and a broad mandate to make recommendations to Government. Though de facto representatives of various interests, members usually serve in their individual capacities.

In this connection it may well be that under Independence there will be a greater number of occasions on which some procedure along these lines is desirable. This would be when questions have not been, or as in this case should not be, political issues, but on which some specific and public consultation with informed opinion is desirable. The Minister of Education, Culture and Tourism for instance has recently announced that a Commission of this kind will be appointed to review the country's educational system. In such an exercise on Civil Service pay, if an expatriate element is thought desirable, it should form a minority, and I think the Chairman should be Maltese. The Commission on Education and a Commission on Civil Service pay could serve as useful experiments for future use of this method.

Another form would be a Select Committee of the House of Representatives. By itself, it would seem that such a Committee might not contain all the appropriate technical expertise, or, perhaps engage all sectors concerned sufficiently, since, the Industrial/commercial sector has so little direct representation in Parliament. To meet this, a working group or technical sub-committee might be appointed including members from industry and commerce etc. to prepare appropriate data and submissions for the Select Committee itself.

Whatever form of enquiry might be chosen, some consultations with the main interest concerned outside the Government on its composition would be indicated.

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The Government of course retains the responsibility for the proposals finally put to Parliament, in all cases.

An inquiry on Civil Service pay would also raise the question of Ministers' salaries. In fact, similar considerations apply with even greater force to Ministers' salaries, while the political implications are even more evident. It would be necessary to plan in advance the appropriate action on Ministers' salaries as part of an overall time-table. (You will recall the unfortunate position in which the U.K. Government found itself in the fifties, when necessary increases in Civil Service pay were carried into effect on the recommendation of the Coleraine Commission, but those of Cabinet Ministers lagged behind for several years).

Correlation would also be required within the same time-table with the work of the Economy Committee, and the announcement by Government of action on its recommendations.

It is implicit in all this that while the review must naturally take account of the country's financial possibilities, the country's needs in respect of its Civil Service should be reviewed as an essential part of a viable economy and that a static approach must be avoided.

Yours sincerely,

(Sd) G.E. Yates.