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## STATEMENT BY THE LORD PRESIDENT ON CIVIL SERVICE PAY DISPUTE

I regret to inform the House that the talks we have been holding with the Civil Service unions aimed at resolving the present pay dispute broke down on Friday. The talks had been concerned both with future arrangements for determining Civil Service pay, and this year's increase in response to the Unions anxiety about arrangements for settling Civil Service pay in the future. I told them that we were ready to set up an independent outside enquiry to advise on the best up-to-date arrangements. Furthermore since this was unlikely to report in time for the 1982 pay settlement, the Government would not set its cash limit for Civil Service pay next year in advance of negotiations with the Unions.

But the Government was not prepared to agree to the Unions' further demand that they should be guaranteed access to arbitration for 1982 should agreement not be reached in negotiation.

As to this year's increase, the Government originally offered 6% and this was subsequently raised in the course of negotiation to 7% to be financed within the 6% cash limit by savings in

staff and administrative costs. But the Unions insisted that they would not settle at this figure. They wanted more money this year.

The Government is satisfied that the 7% offer for this year, together with the assurances we have given for the future are both fair and reasonable. Indeed over 2 million workers in other public services have already settled at around this figure and faced with the economic facts of life many in the private sector have settled for less.

*with lesser security of employment*  
The Unions have now announced their intention to take further disruptive action and to extend it into <sup>the</sup> Social Security and unemployment fields. The Government deplores this decision. It will of course do all within its power to minimise the damage and hardship which is caused to individuals and the country. To continue this dispute can only do damage to individuals, to the country and to the Civil Service - it can be of benefit to no one.