

cc Mr Walters  
Mr Duguid  
Mr Vercher



Example 2

PRIME MINISTER

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It is still early in  
the pay round, but

PAY BRIEF

these figures are  
improving still  
MS

I attach my Department's Pay Brief for February. 23/2  
I am sending copies to members of E, E(PSP),  
and E (EA) Committees, and to Sir Robert  
Armstrong.

J P  
23 February 1981

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by union negotiators and is being put to members without a recommendation. The result is expected by 24 February. Indications are that members will endorse rejection and renew the mandate for industrial action. The claim is costed at about 30%. Electricity Supply manuals (20 March - 92,000) have submitted a claim for substantial increases, a 35 hour week and other improvements. An offer is expected to be made at a meeting on 5 March. Unions for Gas Supply manuals (18 January - 41,000) are consulting members on an offer worth 9% on the paybill (10.3% in a full year). In British Steel (1 January - 140,000) a proposal to defer a settlement for 6 months with a 7% increase from 1 July has been accepted by the craft and general unions but rejected by ISTC. Negotiations continue at British Airways (1 January - 50,000) on the proposal for a 3 month pay freeze to be followed by an 8% increase. British Shipbuilders employees (1 April - 72,700) have submitted a claim for substantial pay increases and other improvements. Meeting arranged for 2 March. British Rail clerical and conciliation grades (20 April - 150,000) have submitted a claim for a substantial increase in pay.

6 In the PRIVATE SECTOR, industrial action by Merchant Navy seamen (2 January - 26,000) has been called off. The Seamen's Union has accepted arbitration on condition that the 12% offer is implemented as an interim measure. Officers (1 November - 36,000) have rejected an improved offer of 12%. The two unions (BIFU and CBU) representing London Clearing Bank staff (1 April - 146,000) have rejected an offer of 8.5% in response to claims for up to 20% and Trustee Savings Bank staff (21 February - 11,000) have rejected an offer of 8%. Their claim is for 23.5%. Newspaper Publishers Association production workers (1 January - 33,000) have rejected a 5% offer.

## PRICES AND EARNINGS INDICES

### PRICES

7 In January the year on year increase in retail prices was 13.0% compared with 15.1% in December.

### EARNINGS

8 In December the year on year increase in average earnings for the whole economy was 19.4% compared with 18.9% in November. Excluding temporary factors the December figure was about 18½%.

### REAL DISPOSABLE INCOME

9 The real disposable income of a typical family (described in the mid-September Pay Brief) rose by about 2½% in the year to November.

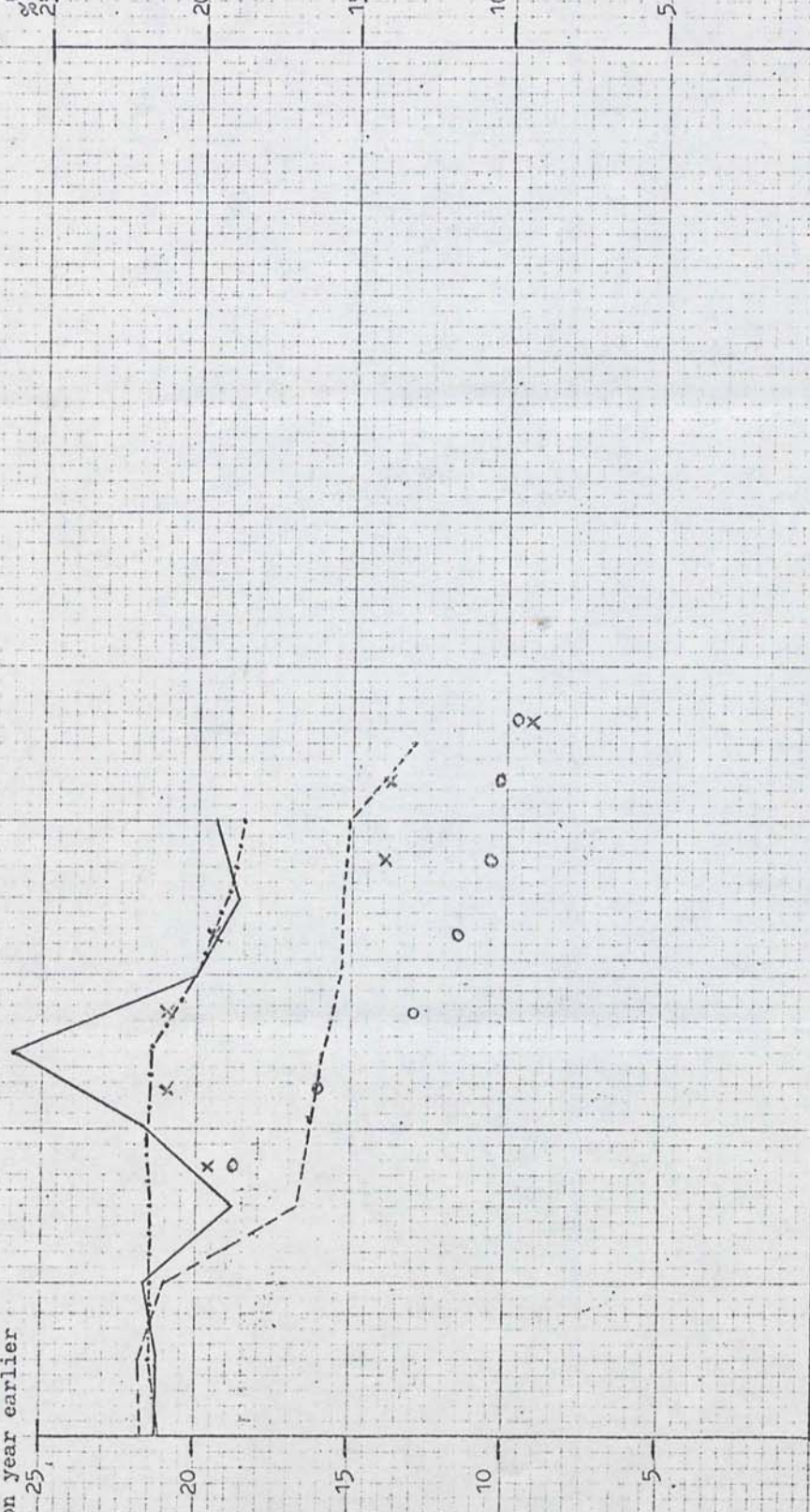
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APPENDIX I

TRENDS IN EARNINGS AND PRICES

% on year earlier



MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	

1981

Retail Price Index

Average Earnings Index (whole economy)

Public Sector Settlements )

Private Sector Settlements )

Underlying rate of increase in earnings

Cumulative Average Increase in Earnings (effective after 31 July 1980)

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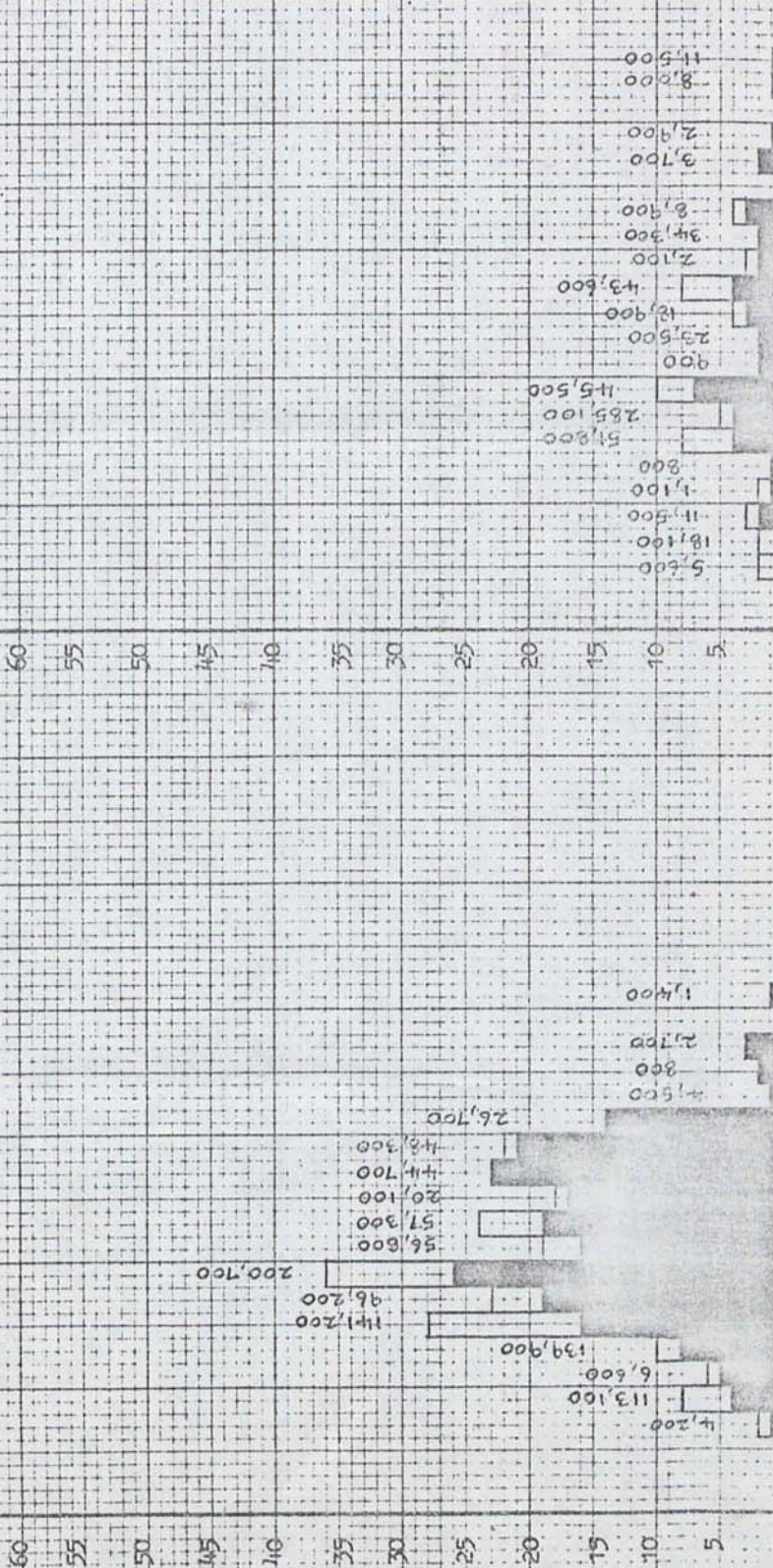
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APPENDIX

DISTRIBUTION OF SETTLEMENTS IN THE PRIVATE SECTOR BY LEVEL OF SETTLEMENT FROM 1 AUGUST 1980

KEY  
[Shaded Box] SETTLEMENTS UP TO THE LAST PAY BRIEF  
[White Box] SETTLEMENTS SINCE THE LAST PAY BRIEF

Number of Settlements  
MANUFACTURING  
NON-MANUFACTURING



LEVEL OF SETTLEMENT (ROUNDED TO THE NEAREST WHOLE NUMBER)  
[Shaded Box] SETTLEMENTS UP TO THE LAST PAY BRIEF  
[White Box] SETTLEMENTS SINCE THE LAST PAY BRIEF

BACK - THE NUMBERS OF WORKERS (ROUNDED TO THE NEAREST HUNDRED) AFFECTED BY THE SETTLEMENT IS GIVEN ABOVE THE APPROPRIATE INDICATOR.

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