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Subject



at Mrs Christopherson

10 DOWNING STREET

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From the Private Secretary

31 January, 1983

By S. Mervyn

Prime Minister's meeting with STUC, Friday, 28 January

The Prime Minister saw a deputation, led by the STUC, on Friday about the redundancies at the Timex plant in Dundee. Your Secretary of State and Mr Alex Fletcher were also present. The deputation consisted of Mr Andrew Barr (STUC), Mr John Langan (STUC), Mr James Milne (STUC), Mr Gavin Laird (AEUW); and Messrs. N. MacIntosh (AEUW, Timex) and Mr J. Kidd (AEUW, Timex).

Mr Barr thanked the Prime Minister for finding time to see them during a very short and busy visit to Glasgow. They had requested the meeting because they were very concerned about the situation at Timex. Jobs in Dundee were very precious. They hoped that the Government would intervene to stop a further large job loss, which, in their view arose from skulduggery especially in relation to France. Mr. Laird said they would not dwell on the issue of camera production at Timex, although this was a sorry story where British engineering had been exploited and then abused. They wished to concentrate on the need not to lose the watchmaking facility at the plant. There was a market for its products. Timex had been making watches for a long time, were good at it, and were involved in electronic manufacture as well as mechanical. The reason why the plant was under threat was that the French Government had offered a better financial package than the British Government could do. Mr Olsen had made that plain. But he hoped that the Government would use all the resources it could to match what the French had offered, that they would investigate Mr Olsen's claims, and would also investigate whether the French package obeyed EEC rules.

The Prime Minister commented that we could not have a situation in which one country obeyed by the EEC rules and another did not. It would be necessary to look into the facts.

/Mr. Kidd



Mr. Kidd said that the workforce had made an agreement on 14 September, 1982 with Timex which assured them of continued production, and of the security of their jobs in 1983. Somehow the French Government's offer had destroyed this agreement. He handed over the documents to Mr. Younger which, he said, would give the Government all the facts about the situation.

The Prime Minister said that the Government would study the documents carefully. She noted that Dundee was in a special development area, and so should qualify as well as any area in France for the maximum Government assistance. Mr. Fletcher said that he would be meeting Mr. Olsen and would be able to hear direct from him his view of the matter. The Department of Industry were, at the same time, investigating through government channels. Mr. Kidd said that their enquiries suggested that the French had offered grants in excess of £100 million.

Mr MacIntosh said that sometimes the Trade Union movement asked for help for declining industry. But this was a high technology industry in a growth area. The Timex workforce had proved their abilities. The Nimslo camera had been the only 3-D mass-produced camera. Mr Sinclair had said publicly that the workforce produced quality goods, efficiently, and on time.

The Prime Minister asked whether the company's design and research facilities had always been in Dundee or in France. After discussion it appeared that the R and D facilities in relation to watchmaking had always been in France, and that the work done at Dundee had consisted mainly of manufacturing some parts, and assembly.

Summing up the discussion the Prime Minister said that the Government would examine closely the documents which had been handed over at the meeting. They would investigate the whole matter most carefully, and read inbetween the lines as well. Mr. Younger or Mr. Fletcher would be in touch with the union side early next week.

The meeting which had begun at 17.40 hrs ended at 1800 hrs.

I am sending a copy of this letter to Caroline Varley (Department of Industry).

M. C. SCHOLAR