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cc B1

Prime Minister

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Michael Scholar Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1

Mus 17/5

17 May 1983

Dear Mike,

Another formula possibly  
has been rejected  
remembering  
not

TIMEX

I attach as requested a background note for the Prime Minister on the latest developments at Timex. It brings the material which I sent to Willie Rickett on 11 May up to date.

in box?

We have discussed this with the Secretary of State this morning. His firm view is that there is nothing to be gained by aggressive intervention by Ministers at this stage: he thinks any remarks made by Ministers should be in sorrow rather than in anger!

Yours sincerely

John Wilson

JOHN S WILSON  
Private Secretary

TIMEX

BACKGROUND NOTE

1. In London on Friday 13 May Timex management and national AUEW and TASS officials (Mr Gavin Laird and Mr Ken Gill) agreed a formula to end the dispute as follows:-

(i) 425 redundancies outstanding (125 left over from the 1900 announced on 10 January, plus a further 300 announced on 6 May as a result - the company states - of lost business following the sit-in) to be withdrawn for a further 90 days.

(ii) Company's legal action to end the sit-in to be withdrawn.

(iii) In the interim the 425 employees to be put on short-time (1 day per week working), to have pension rights etc. Preserved and redundancy payments restored, and to be considered for new jobs opportunities within the plant as and when they arose and provided skills of employees were appropriate.

(iv) In return the union officials accepted -

2200 redundancies (both the original 1900 and the further 300 announced on 6 May) -

Immediate end to industrial action, freeing the Sinclair CRT flat television tube line -

Re-establishment of normal grievance procedure on the understanding that if it failed national officials would be brought in.

2. Mr Harry McClevy AUEW District Secretary was present at this meeting and was charged with the responsibility for taking the formula back for endorsement by local employees. It was rejected by shop stewards at Dundee on the afternoon of Friday 13 May, confirmed at a meeting on Monday 16 May of the employees taking part in the sit-in, at which only 14 out of 348 accepted the formula.

3. The company believes, and we share their view, that Mr McClevy has reneged at local level on the agreement which he witnessed at national level. / Confidential. We understand that the Dundee employees may well have forfeited national union support in the face of renewed court action by the company.7

#### Line to Take

4. We consider that further intervention by Ministers is most unlikely to assist a positive outcome of the dispute and may even, particularly at the present time, be counter-productive. This is also the company's view. If the Prime Minister considers, however, that intervention is required - or indeed if the issue is raised and comment requested, the following points could be emphasised:-

- (i) The current situation is tragic for British industry in its fight to be competitive with other countries, and in this case the Japanese.
- (ii) It is tragic too for the unemployment situation at Dundee and for the strategy agreed by Government and the local community of putting Dundee on the map as a key location for high technology investment.
- (iii) The plight of the Dundee workers made redundant is well understood, that is why the Prime Minister personally intervened with Mr Fred Olsen, owner of Timex and Chairman of the Board.
- (iv) But now the sit-in is putting other people's jobs at risk and directly creating unemployment.
- (v) The Government very much regrets that the efforts of the company and national trade union officials - and the commitment of Government to future investment and job security at the plant - have not yet led to a resolution of the dispute.

#### Possible ACAS Intervention

5. In today's press ACAS is reported as inviting management and employees to meet to discuss a possible resolution of the dispute. If the Prime Minister is asked about the prospect of ACAS intervention she might wish to say something on the following lines:-

"The company and trade union representatives are fully aware of the potential contribution which ACAS can make. I would welcome anything which would lead to the resolution of this dispute which is so damaging to jobs in Dundee."

07 JUN 1958

