SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Michael Scholar Esq
Private Secretary
10 Downing Street
LONDON SW1

18 May 1983

Dear Mike,

TIMEX

In view of the Prime Minister's close personal interest in this case, I am writing to let you know that the dispute at Timex appears to have been resolved.

At a meeting today workers occupying the plant voted to accept an agreement reached late yesterday between management and local union officials. As a result, industrial action is at an end, the employees will return to work and the Company's court action to repossess the plant has been lifted.

This latest agreement is on the same lines as that reached last week between management and national AUEW and TASS officials, with the sole exception that the short-time working to which the previously redundant employees will be entitled during the new 90-day period has been increased from a total of 13 days to 21 days.

The agreement means that the employees at Timex have accepted both the initial 1,900 redundancies announced on 10 January and the further 300 announced on 6 May as a result of lost business because of the sit-in. In return the company has agreed to consider redundant employees, taken back for a further 90 days on a short-time basis, for places vacated by voluntary redundancies elsewhere at the plant, provided that they have the required skills, after training if necessary.

At the present time, we are not proposing to issue any state-ment, but if the question is raised with the Prime Minister the following points might be made:

    i.   satisfaction that the dispute is resolved;

1.

ii.   hope that the management and employees are
        now jointly committed to the development
        of a successful business at Dundee operated
        with maximum co-operation and flexibility;

iii.   the way is now clear for the introduction
        of a programme for introducing new products
        and new investment on which jobs depend
        and in which Government is playing a full
        part through the provision of grant support.

Yours sincerely

John Wilson

JOHN S WILSON
Private Secretary