



10 DOWNING STREET

THE PRIME MINISTER

25 July 1983

Dear Dr. Pohle.

Many thanks for your letter of 12 July about your company's decision to acquire the FBC Group, and about your hopes for the expansion of its research and production facilities. This is excellent news and a further example of the growing interdependence of our industries and economies.

Thank you also for your remarks about the climate for investment in the United Kingdom. I recall with pleasure my meeting with you all in April, and hope that Schering's example will be followed by other similar investments here.

Yours sincerely  
Margaret Thatcher

Dr. Klaus Pohle.

—

BPC



COVERING CONFIDENTIAL

Received

21.20 hrs.

21/7



Foreign and Commonwealth Office

London SW1A 2AH

21 July, 1983

Mr. Flecker

A & C 2/7

*Jan J. [unclear]*

*pa type plus signature*

We have now received from the Embassy in Bonn the top copy of a letter from Dr Pohle, a Director of Schering, informing the Prime Minister of their acquisition of the FBC Group. The text of the letter was included in Bonn telegram number 723 of 16 July, which was copied to you at the time. I enclose a copy for ease of reference.

// I attach Dr Pohle's letter along with a draft reply for signature by the Prime Minister. The letter has been agreed with the Invest in Britain Bureau, DTI, who have primary responsibility for inward investment matters.

I am sending a copy of this letter to Dr Jonathan Spencer (Trade and Industry).

*[Handwritten signature]*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

COVERING CONFIDENTIAL



DRAFT: ~~minute~~/letter/~~reference~~/dispatch/~~note~~

TYPE: Draft/Final 1+

FROM:  
PRIME MINISTER

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Dr Klaus Pohle  
Schering AG  
Mullerstrasse 170-178  
D-1000 BERLIN 65

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Many thanks for your letter of 12 July about your company's decision to acquire the FBC Group, and about your hopes for the expansion of its research and production facilities. This is excellent news and a further example of the growing inter-dependence of our industries and economies.

Thank you also for your remarks about the climate for investment in the United Kingdom. I recall with pleasure my meeting with you all in April, and hope that Schering's example will be followed by <sup>other</sup> similar investments here.

Enclosures—flag(s).....



IMMEDIATE  
ADVANCE COPY

41

00 FCO DESKBY 180800Z

RR TRAFFIC RELAY

XX  
1007  
Ps/PUS  
Mr Evans

GRS 505

CONFIDENTIAL

DESKBY 180800Z

FM BONN 160800Z JUL 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 723 OF 16 JULY

PERSONAL FOR RICHARD EVANS, AND FOR PUS, DTI AND PRIVATE SECRETARY, NO 10

PURCHASE BY SCHERING AG OF THE FBC GROUP

1. DR KLAUS POHLE HAS TOLD ME THAT FOLLOWING THE HIGH LEVEL MISSION OF GERMAN INDUSTRIALISTS IN APRIL OF WHICH HE WAS A MEMBER, HE TOOK A DECISION TO BUY THIS GROUP WHICH COMBINES FISOONS AND BOOTS AGRICULTURAL CHEMICAL BUSINESS. AN ANNOUNCEMENT IS TO BE MADE ON MONDAY 18 JULY IN BERLIN AND LONDON AND POHLE HAS ASKED US TO RESPECT THE CONFIDENTIALITY OF THIS DEAL UNTIL THEN. HE HAS GIVEN US THE FOLLOWING TEXT OF A LETTER HE HAS SENT TO THE PRIME MINISTER WHICH SHOULD REACH LONDON BY BAG EARLY NEXT WEEK.

QUOTE

DEAR PRIME MINISTER,

DURING MY VISIT WITH BUSINESS LEADERS FROM THE FEDERAL REPUBLIC OF GERMANY ON APRIL 25, 1983, YOU ASKED US TO INCREASE OUR INVESTMENTS IN THE UNITED KINGDOM.

IT IS THEREFORE WITH GREAT PLEASURE TODAY THAT I CAN INFORM YOU THAT WE HAVE MADE A 120 MILLION POUND INVESTMENT IN PURCHASING THE FBC GROUP, WHICH WAS FORMED 1980 BY MERGING THE AGROCHEMICAL BUSINESSES OF FISOONS PLC AND THE BOOTS COMPANY PLC. THE COMBINED RESOURCES OF THE SCHERING AND THE FBC GROUP WILL BE THE BASIS FOR THE FURTHER STRENGTHENING OF OUR JOINT EFFORTS IN RESEARCH AND MARKETING IN THE FIELDS OF HERBICIDES, FUNGICIDES AND INSECTICIDES.

EVEN THOUGH THERE WILL BE SOME CASES OF REDUNDANCY DUE TO THE DUPLICATION IN THE TWO ORGANISATIONS WHICH WILL BE MERGED, WE HOPE ESPECIALLY TO EXPAND THE RESEARCH AND DEVELOPMENT ACTIVITIES OF FBC LTD. IN CHESTERFORD PARK/CAMBRIDGE AS WELL



EVEN THOUGH THERE WILL BE SOME CASES OF REDUNDANCY DUE TO THE DUPLICATION IN THE TWO ORGANISATIONS WHICH WILL BE MERGED, WE HOPE ESPECIALLY TO EXPAND THE RESEARCH AND DEVELOPMENT ACTIVITIES OF FBC LTD. IN CHESTERFORD PARK/CAMBRIDGE AS WELL AS THE PRODUCTION IN VARIOUS LOCATIONS IN THE UNITED KINGDOM. OUR NETWORK OF 98 SUBSIDIARIES IN THE WHOLE WORLD WILL ESPECIALLY HELP THE FURTHER INCREASE OF THE EXPORTS FROM THESE PLANTS.

I AM CONVINCED THAT THE RECENT CHANGES IN THE INDUSTRIAL CLIMATE IN THE UNITED KINGDOM JUSTIFY THE CONFIDENCE THAT SUCH HEAVY INVESTMENT WILL BE SUCCESSFUL AND I BELIEVE THAT OTHER GERMAN INDUSTRIALISTS WILL FOLLOW THIS MOVE.

MAY I ASK YOU TO KEEP THIS INFORMATION CONFIDENTIAL UNTIL IT WILL BE PROPERLY ANNOUNCED IN THE NEWS MEDIA ON MONDAY, JULY 18, 1983.

YOURS SINCERELY  
KLAUS POHLE

UNQUOTE

2. IN HIS PRESS CONFERENCE DR POHLE PROPOSES TO EMPHASISE THE ATTRACTIVE INVESTMENT AND WORKING CLIMATE IN THE UK WHICH HE HAD CONFIRMED DURING THE HIGH LEVEL MISSION.

TAYLOR

NNNN

CC S. Nicklen - DTJ

SCHERING

Dr. Klaus Pohle  
Mitglied des Vorstands

Schering Aktiengesellschaft  
Müllerstraße 170-178  
Postfach 65 03 11  
D-1000 Berlin 65  
Telefon: (0 30) 4 68-22 15  
Telex: 182 03-0 sch d

Prime Minister, The Rt Hon  
Margaret Thatcher MP  
10, Downing Street  
London W. 1

July 12, 1983

*Dear Prime Minister,*

During my visit with business leaders from the Federal Republic of Germany on April 25, 1983, you asked us to increase our investments in the United Kingdom.

It is therefore with great pleasure today that I can inform you that we have made a 120 Million £ investment in purchasing the FBC group, which was formed 1980 by merging the agrochemical businesses of Fisons Plc and The Boots Company Plc. The combined resources of the Schering and the FBC group will be the basis for the further strengthening of our joint efforts in research and marketing in the fields of herbicides, fungicides and insecticides.

Even though there will be some cases of redundancy due to the duplication in the two organisations which will be merged, we hope especially to expand the research and development activities of FBC Ltd. in Chesterford Park/Cambridge as well as the production in various locations in the United Kingdom. Our network of 98 subsidiaries in the whole world will especially help the further increase of the exports from these plants.

...2/

SPECIAL REFLEX SPECIAL REFLEX



I am convinced that the recent changes in the industrial climate in the United Kingdom justify the confidence that such heavy investment will be successful and I believe that other German industrialists will follow this move.

May I ask you to keep this information confidential until it will be properly announced in the news media on Monday, July 18, 1983.

*Yours sincerely*  
*Hans Polster*