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10 DOWNING STREET

From the Private Secretary

24 January 1984

Andres -
Have you retained Mr. Pennington's letter?
Ray
25/1

NST
attached

The Prime Minister has asked me to thank you for your letter of 10 January.

It is generally accepted that foreign investment in our manufacturing industry can, and frequently does, bring with it new technology and management skills, as well as increasing exports, thereby assisting the general development of the economy, and helping to preserve and create jobs. For that reason, the present Government, like successive previous Governments, welcomes in principle investment in the UK from overseas. Equally we welcome investment in foreign countries by British companies which can be of mutual benefit.

Mergers with, or takeovers by, foreign companies are not viewed differently from other forms of investment so long as they seem likely to contribute to these objectives and there is no cause for a reference to the Monopolies and Mergers Commission for an investigation into whether a particular takeover or merger will operate against the public interest.

The proposed expansion by Schering of FBC's research and development activities as well as its production facilities ought to strengthen the company and should therefore be welcome to its employees.

Andrew Turnbull

John Pennington Esq.



JF5388

PS/ Secretary of State
for Trade and Industry

GR m type

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

23 January 1984

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Andrew,

Thank you for your letter to Steve Nicklen
of 11 January.

2 A draft reply to Mr John Pennington's
letter of 10 January concerning the
investment in FBC Limited of Schering of
Germany is enclosed.
...

Your ever,
Andrew

ANDREW LANSLEY
Private Secretary

Encl

JF5389

DRAFT LETTER TO PS/PRIME MINISTER TO SEND TO:

John Pennington Esq
16 Conifer Grove
Great Sankey
WARRINGTON
WA5 3BQ

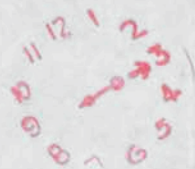
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The proposed expansion by Schering of FBC's research and development ^{activities} as well as ^{its} production facilities was particularly welcome to the Prime Minister. ~~This is a development which~~ ought to strengthen the company and ~~which~~ should therefore be welcomed ~~also~~ ^{to} by its employees.

24 JAN. 1984





10 DOWNING STREET

From the Private Secretary

11 January 1984

Dear Steve,

I attach a copy of a letter the Prime Minister has received from Mr. John Pennington, an employee of FBC Limited.

I should be grateful for a draft Private Secretary reply to send to Mr. Pennington, to reach us by Wednesday 25 January.

*Yours sincerely
Andrew Turnbull*

Andrew Turnbull

Steve Nicklen Esq
Department of Trade and Industry.

16 Conifer Grove,
Great Sankey,
Warrington WA5 3BQ.

10th January, 1984.

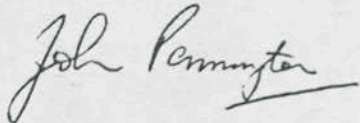
Mrs. M. Thatcher,
Prime Minister,
10 Downing Street,
Westminster.

Dear Mrs. Thatcher,

Your letter dated 25th July, 1983 to Dr. K. Pohle of the German Schering group has recently been circulated at the Widnes works of FBC Limited.

Some employees have expressed concern at the congratulatory tone of your letter supporting the takeover of a British-based company. Another multinational has extended its power over a British company and, as a consequence, leaves its employees with less influence - surely not an issue for congratulations from a British Prime Minister? Your letter has further demoralised employees and weakened their confidence in your Government's policies.

Yours sincerely,



John Pennington
FBC employee



10 DOWNING STREET

THE PRIME MINISTER

25 July 1983

Dear Dr. Pöhl

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 Pöhl