

PRIME MINISTER

Original correspondence in GTR
The biggest company working on desalination plant is William Wei (Lord Wei is also of Glasgow) on the bank of the Bank of England

Mr. Douglas Fox was one of the Churchill Fellows to whom you presented a medallion. At the time, he wrote to you about the problems he faced in launching a project on water desalination. You replied to him, suggesting that the NRDC could offer some help.

Mr. Fox is persistent and articulate. He has been in touch with us frequently since your exchange with him. Nick and I have both talked to him at length and we put him in touch with John Ashworth of the CPRS who is the Chief Scientist in the Cabinet Office set-up.

Mr. Fox's case history illustrates the difficulties faced by innovators in finding financial backing to develop processes for large-scale marketing.

In the case of Mr. Fox's particular project, there is at first sight an aid angle. Desalination is obviously important in many developing countries. But he had already been to ODA Ministers in the past, and they had not felt able to pursue his proposal. One problem was that he had never offered any financial information to enable them to judge the economic viability of his process. He did give us some further details, and ODA have looked at this. Their analysis shows that there are much cheaper means of desalination, although they recognise that there could be a role for Mr. Fox's relatively expensive process in some very limited situations. They have advised successive Ministers that the very limited funds allocated to develop intermediate technology should not be drawn upon for a process which would have very limited application. I think this is a fair judgement.

John Ashworth suggested one or two personal contacts which might provide support to enable Mr. Fox to develop his process.

/The best

(week-end)
they have any spare money but they could evaluate the project
Other work the Arab Countries have done with to other Islamic countries
the Aja Khan fund
More work to be done
not

The best seems to be a fund under the Aga Khan's auspices. Mr. Fox does not seem to have made a good impression with this group and he is now coming back to us again complaining that no-one is helping him and threatening to make a public fuss about this.

We have made much more effort to help Mr. Fox than is normally possible for members of the public who come direct to this office. We recognise that he is a difficult character but that he might have some worthwhile ideas, and in addition I thought his case worth pursuing as an example of the difficulties faced by innovators. But we have given him no false hope, and I think we have nothing to fear if he chooses to publicly complain about Government attitudes to his work. I am not troubling you with all the documentation on this case, but I attach your original exchange of letters with him, the recent summary economic analysis of his project produced by ODA, and two notes by John Ashworth following conversations with him.

I had it in mind that you might see Mr. Fox. On reflection, I think this would achieve nothing because he might simply add a meeting to his store of stories of Government inability to help him. As John Ashworth says in his later note, the wider problem illustrated by Mr. Fox's experience would best be tackled through ACARD, and I would like to raise it with them on your behalf. This is an important point in terms of encouraging innovators. As for Mr. Fox himself, he is a stubborn character: he has a process which may be technically viable but for which economically viable applications have not been located. NRDC have made it clear that they could find some financial support, but he has not been able to raise additional support and has chosen to become very antagonistic to NRDC. We offered him the personal contact with the Aga Khan and Dr. Ashworth put him in touch with other groups in this country who might have found a role for him. His personality has obviously prevented him from capitalising on any of these, and I think I should now make it clear that there is nothing that we can do for him individually.

/I apologise

I apologise for the length of this note. But I think the case history is interesting. I would like your authority now to conclude our correspondence with Mr. Fox, but to raise in your name the wider issue of how we can encourage and support innovators who develop ideas outside the structure of large groups with significant R & D capital resources.

MAD

22 August 1980