

# PUBLIC DUTIES

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### **BABAR ALI FOUNDATION**

The genesis of my father's trust, the Syed Maratib Ali Religious and Charitable Trust, dates back to when I was a student at Aitchison College and I suggested to him that he should start a Trust. I sowed the idea in his mind but he created it all by himself. He went to the lawyers and had it registered with himself and Bhai Amjad as the Trustees. My brothers were, however, not interested and they asked me to take care of it. On my father's demise in 1961, therefore, it fell to me to look after the Trust. My father had assigned three properties that he owned in Lahore Cantonment as an endowment for the Trust, to be used as a source of income, divided equally for the following three purposes:

1. For the upkeep of three houses;
2. For azadari during Moharrum; and
3. The remaining one-third for his less privileged relatives.

The houses were rented to the military and as they were producing very little income, I got permission from the court to sell them. This enabled me to make a proposal for land next to my father's house, Nasheman, 4-FCC, an eight kanal property that he had given to his four sons. We had fifty Swedes coming to Lahore to set up the Paper Mill at Packages. Twelve of the families were accommodated at our family flats in Mayfair Court and I suggested to my brothers that we should build additional flats on the eight kanal property. I said to them, 'Each one of us has a house. Why don't we gift our respective share to our father's Trust? I need to build apartments for the Swedes and I will give advance rent to the Trust so that it has finances to build apartments on the land. In the construction, we will also use some of the money raised from the sale of the three Cantonment bungalows.' The twelve flats, which became known as the Swedish flats, were designed by an architect from Sweden. Because of the rental income from the Swedish flats, my father's Trust received a much larger income than before.

When my father's house, Nasheman, was willed in favour of his four sons, I said to Bhai Wajid, 'I am going to donate my share to our father's Trust. Would you also like to do so?' He agreed. Bhai Amjad's children prevailed on him not to give his share to the Trust so I bought Bhai Amjad's share of my father's home from his heirs and built eight townhouses. (These eight properties are providing a yearly income of over Rs. 10 million to Babar Ali Foundation). My fourth brother's family didn't give their share to my father's Trust either and it was bought by my father's Trust and nine additional townhouses were constructed with an interest-free loan from me to the Trust. The Maratib Ali Trust, therefore, owns three blocks of housing (flats and townhouses) and the main house, 4-FCC, all bringing income to my father's Trust.

Meanwhile, my own wealth started growing and in 1985, I decided to have my own Foundation so that I could give money to causes that interest me.

During the period when I was in the National Fertilizer Corporation in the mid-1970s I had the good fortune to be allotted a plot of land on the Mall. This was in compensation for the land that had been taken from the family for WAPDA Colony. This came totally out of the blue and I was the only one in my family who received a plot on the Mall without asking for it. The rest of the family members were given plots behind the main road. I considered it a gift from God and decided to give the plot to Babar Ali Foundation when it was registered in 1985. I donated

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extra funds to my Foundation to construct an office building there in 1991-92, designed by Habib Fida Ali and told him ‘Please ensure that the design is such that it stands up to the standard and reputation of Lahore. I don’t want anybody to come and curse my soul later on for constructing an ugly building.’ The major source of income for the Foundation has been the rent from this building: 308 Upper Mall.

The resources of Babar Ali Foundation continue to grow. 90% of our focus is on education, LUMS being the primary beneficiary, but we also support other causes that interest me, such as healthcare, art, and culture.

Babar Ali Foundation (BAF) and I have given to LUMS for some of its capital needs. All the five female hostels at LUMS are BAF funded. The first one is named after my mother, Mubarik Begum, the second after my wife, Perwin, the third after my daughter Henna and daughter-in-law, Amina, the fourth after my grandchildren – Mubarik, Zehra, Murtaza and Gauhar and the fifth in honour of my brothers and sisters. These five hostels give accommodation to 1,050 female students. The fourth building was completed in July 2011 at a cost of Rs. 100 million while the fifth in 2015 with an outlay of over Rs. 220 million. The Sports Complex at LUMS is again donated by my Foundation and is named after my father, Syed Maratib Ali. I hope my family will continue to support LUMS in the future.

Outside of LUMS, Babar Ali Foundation provides Syeda Mubarik Begum Scholarships (named after my mother) to girl students to support their graduate and post-graduate studies in public sector institutions in Pakistan. More than 3,000 girls have benefited from these scholarships since 2002. In 2011, we had a budget of Rs. 10 million for Syeda Mubarik Begum Scholarships, which went to girls from all parts of the country.

In 2003, we started the Naqsh School of Arts in Bhati Gate. We have provided support to various schools and have contributed to sports activities. We have also given for efforts to promote harmony and to promote peace between India and Pakistan under the banner of Balusa – a track II initiative.

Babar Ali Foundation donated the ‘Shamim Khan Hall’ at Aitchison College to honour the good work done by Shamim Saifullah Khan during his tenure as its Principal.

While on the Management Board of Kinnaird, I suggested to the College that they should have a music society. I approached Hayat Ahmed Khan of The All Pakistan Music Conference and asked him to find a music teacher for Kinnaird and to provide them with all the musical instruments they required. I told Kinnaird that I would support the Music Society for one year, after which they would be on their own. We did this for Kinnaird College, Lahore College for Women, Home Economics College, and Government Fatima Jinnah College for Women. Hayat Ahmed Khan worked diligently to introduce these College girl students to classical music, which should be a part of our lives.

Babar Ali Foundation is a lean organization with minimal operating costs. I hope that in the years to come, it will have a growing income, which can be deployed in a meaningful way to support education and other philanthropic causes in Pakistan, to make this country a better place.

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*1994: Consul-General Syed Babar Ali meeting with the Swedish King and Queen in Stockholm*

Doing all this has enriched my life. I find that giving is very rewarding. My late cousin, Faqir Syed Waheeduddin read this epitaph to me many years ago:

‘What we gave, we have  
What we spent, we had  
What we left, we lost’

{Epitaph of Edward Courtney, Earl of Devon, 1419 A.D.)

### **HONORARY SWEDISH CONSUL**

When Packages was established in 1956, Mr. Ruben Rausing was keen that I should represent the Swedish government in an honorary capacity because of the large Swedish investment in Packages. I remained Swedish Consul for 37 years, from 1961 to 1998, much beyond the normal age of retirement for a Consul.

Throughout my tenure, I maintained the closest contact with the Ambassador of Sweden in Islamabad and provided the Embassy with such support and advice as they needed. No important Swedish visitor to Pakistan missed the opportunity of visiting Packages, Sweden’s flagship in Lahore. The Consulate in Lahore looked after the entire region north of the province of Sindh. For many years, the facilities were provided by me and we even issued Swedish visas here. This was later discontinued as foreign Embassies in Pakistan en bloc decided not to give this facility to Honorary Consuls. Hyder Ali, my son, took over the responsibility of the Honorary Consul General for Sweden in 1999.

Acknowledging my association with Sweden, I was awarded Knight of the Royal Order of Vasa, First Class in 1972 and Commander of the Royal Order of the Polar Star in 1984 by H.M. The King of Sweden.

### **WORK WITH THE UNITED NATIONS**

My first experience with the U.N. was soon after my stay at the University of Michigan in 1947 when

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Honors from The Netherlands, Sweden & UK

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I worked with the first Pakistan Delegation to the United Nations General Assembly under the leadership of Chaudhry Zafrulla Khan.

The second one was as a Pakistan delegate to the 1969 U.N. General Assembly where I attended as the primary delegate in the Second Committee which discussed economic issues. This was the first time that the environment had appeared on the radar of the U.N. and considerable Committee time was dedicated to highlighting its importance. This session lasted from September to the end of the year.

My third major contact with the U.N. was when I was invited to be a Member of the U.N. Commission on a Code of Conduct for Trans-Nationals. This Commission met two or three times a year for two weeks at a time, mostly at the U.N. Headquarters in New York. However, its meetings were also held in other capitals such as Mexico City, Geneva, and Vienna. Most of the members of the Commission were from the private sector and leaders of multi-nationals, e.g., Siemens, Unilever, IBM, and Bata. This Commission was set up as a result of the demand by some of the developing countries and the Eastern Bloc, led by the Soviet Union, following turmoil in Chile. The Anaconda copper mines there had been nationalized under President Allende and eventually the Americans engineered a coup, General Pinochet took over, and the mines were returned to their original owners. There was uproar in the United Nations, with the Eastern Bloc gunning for multinationals, saying that they were a power without guns but able to create coups. The United Nations then passed a resolution to set up a Commission, with a Centre in New York, to prepare a code of conduct for transnational corporations. I served on this Commission for almost six years and it was an invaluable experience for me working closely on international issues with leaders of some of the largest industrial and business corporations in the world. The Commission met two to three times a year in New York, which I found very convenient as it enabled me to visit my children at the University of Michigan. I served on the Commission for six years from 1971 to 1977. Today, you see the beneficial fall out from the Commission's report – initiatives on conservation, environment, child labour, and human rights have all come out of that.

### **IN THE CARETAKER GOVERNMENT OF MR. MOEEN QURESHI**

On July 19, 1993 I returned to Lahore from Europe after a five-weeks stay abroad and learnt that Mr. Moeen Qureshi had been sworn in as the Caretaker Prime Minister. That very night around 12 O'clock I got a telephone call from him, asking me to join his Cabinet as his Minister of Finance, Economic Affairs & Planning. I thanked him for his kind thought but apologised for not being available as I was already totally tied up with my various commitments. I told him that I was much too busy and in any case there was nothing I could contribute in such a short period of ninety days. He asked me to think it over but I gave him no encouragement.

The next morning, I felt that the pressure was off. I was feeling quite at ease and had forgotten about the invitation. The same night, this time at half an hour past midnight, the telephone operator at the PM's House called again and put me through to Mr. Qureshi who said that there was no way that he could take a 'NO' from me and that he needed me. I suggested a couple of other names for his Finance Minister but he firmly turned them down. I then offered to see him in Islamabad two days later to explain why I was not available. At his insistence, I travelled to Islamabad the next day and went directly from the airport to see Mr. Saeed Qureshi, Secretary

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General, Ministry of Finance. I had known him for almost twenty years and had kept in touch with him during his various postings in Punjab and Islamabad. I always found him a very open friend. Saeed Qureshi knew that I had been invited by the PM and I explained to him that I was not available. I then informed the PM's Military Secretary that I was in Islamabad and was available to see the PM at his convenience. Meanwhile, I got a telephone call from Mr. Sartaj Aziz who was Minister of Finance in the Cabinet of Mr. Nawaz Sharif. I went to see him prior to my meeting with Mr. Moeen Qureshi. Sartaj Aziz informed me that it was he who had suggested my name. I thanked him but I also informed him of my inability to accept the offer. Finally, at 4 p.m. on July 21, I was ushered into the Prime Minister's office in the PM's House; Mr. F.K. Bandiyal was also present. I had known Mr. Moeen Qureshi very well since 1978, when he was the Chief Executive Officer of the International Finance Corporation in Washington. I had seen him at least twice a year during the last fifteen years and spent considerable time talking about Pakistan and how one could contribute to make it better.

I reiterated to Mr. Qureshi my inability to respond positively to his kind offer. He pointed out that despite his ill health and his absence from Pakistan for over 35 years, he could be prevailed upon to serve his country for these few weeks until the next elections, so why could I not make myself available when I lived in Pakistan and could afford to be away from my own commitments with much less inconvenience than it would mean for him. I was still not agreeable. He then said that when he took over two days earlier, he never realised how bad the financial position of the country was, and with his personal health not being normal and a long agenda, tackling many different issues, he wanted me to look after the finance and economic matters. He said that he was confident that things could be set right but he could not do it alone and that he and I together could do it. I made up my mind there and then that I could not let the country and him down. I still told him, however, that I would go back to Lahore and let him know my decision the following morning. He called me in Lahore at 9 am the next day and I told him that I would join him and that I was faxing him the conditions on which I would be available; these were:

1. That I would delink myself from my business organisations during the duration of my tenure;
2. That I wished to continue working with the non-profit educational and environmental organisations I was associated with both in and out of Pakistan, particularly the World Wide Fund for Nature; and
3. That I would only be available to serve the Government till October 15, 1993.

I returned to Islamabad on July 23 and that evening I was sworn in as the Minister of Finance, Economic Affairs & Planning. The other members of the Cabinet sworn in that day were:

- F.K. Bandiyal;
- General Mohammad Shafiq;
- Ahmad Faruque;
- Nisar Memon; and
- Abdul Sattar

Immediately after the swearing in, we were invited to the PM's House, for the first informal meeting of the Cabinet, where the PM welcomed us and informed us of his intention to tackle some pressing economic issues. However, he said, 'The first priority was to plan for fair and free elections'.

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The next morning I went to the Ministry of Finance and called on the senior officers. After that, I went around the Divisions of Economic Affairs and Planning to meet with the new colleagues with whom I was to spend the coming weeks.

I called a joint meeting of the Secretaries of the four Divisions that I was responsible for and told them that I had no clue as to how the Government functioned and that I needed their guidance and advice. I assured them that I had total faith and confidence in their capability. I asked them to list the decisions that the previous government had shied away from; provided these were in the interest of the country, I was ready to stick my neck out and bite the bullet. If anything went wrong, I would take the blame and when things went the right way, the credit would go to the government servants. These then were the rules of the game from the beginning.

Before the end of the first day, I realised that there was a total lack of harmony between the Secretary Finance and the Secretary General Finance. As I had a long agenda to tackle during my brief tenure, I had to do something about this. I consulted some of my friends in Islamabad who were not directly connected with any of the Divisions that I was associated with and asked for their advice. They encouraged me to put my faith in the Secretary General, whom I had known for many years, in preference to the Secretary Finance whom I had known but not intimately. With the advice of Mr. Saeed Qureshi, the Secretary General, we worked out a plan to shift Khalid Javed from the position of Secretary Finance to Chairman of Agricultural Development Bank of Pakistan (ADBP) which was an important position within our own Ministry; to move Javed Talat from ADBP to Secretary Revenue and Chairman of the Central Board of Revenue, Economic Affairs Division and Qazi Alimullah from Secretary Economic Affairs Division to Secretary Finance. This circuit was all within the three Divisions in my charge but such a major move had to have the approval of the Prime Minister, who had meanwhile left for Karachi en route to Washington. I was able to talk to the Prime Minister at Karachi Airport prior to his boarding the plane. He asked me whether these transfers could wait till his return from Washington in the next three days and I said that I had to start taking some vital decisions in my Ministry and wanted his agreement right away, which he was gracious enough to give. So this major decision, where four Secretaries of the government were moved in one day, set the pace of the working of the Ministry of Finance & Economic Affairs. We did not look back and had no hesitation in taking major and important decisions thereafter, one of which was making the State Bank independent, with a charter from the Ministry of Finance.

### **OTHER INSTITUTIONS AND INITIATIVES**

Having lived in Lahore all my working life, I have had the opportunity to participate in a number of initiatives in the social life of the city.

#### **Shalamar Hospital**

Throughout my career, I have shied away from activities of various trade organizations and Chambers as I realized that these were progressively being used to project the interests of the directors of the Chambers rather than of their constituents. I did, however, try to maintain a personal relationship with some of the prominent businessmen of Lahore and Karachi. Chaudhry Nazar Mohammad, the Chairman of Service Industries, was a person for whom I have had much regard and respect, not only for his wisdom and simplicity but also for his



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interest in social work. In 1980, he invited me to join him as a Trustee in the setting up of Shalamar Hospital. I was happy to do so. Chaudhry Sahib was very close to the then President of Pakistan, Chaudhry Fazal Ellahi, and through his effort, Shalamar Hospital was able to get land from Pakistan Railways to build a hospital on Shalimar Link Road. This land was made available on an undertaking by the Government of Punjab to Pakistan Railways that they would provide them land in lieu of the land given to the Hospital.

Chaudhry Nazar Mohammad devoted a great deal of time, effort and money towards the building of this Hospital and by the time he passed away in 1996, the Hospital was well established. Subsequently, Chaudhry Ahmad Saeed succeeded as the Chairman of the Hospital and I have been working very closely with him and colleagues on the Board of Trustees. We are making a concerted effort to provide quality healthcare to a section of Lahore where adequate medical facilities had never been available before. One third of the patients at the Hospital get either free treatment or a very large subsidy. Shalamar also has a School of Nursing and a Medical College.

### **Lahore School of Economics (LSE)**

I was happy to give support to the initiative taken by Dr. Shahid Amjad Chaudhry and his family in setting up the Lahore School of Economics, established in 1993. LSE took the space where LUMS was initially housed, which they maintain as a city campus along with their main campus on Burki Road. LSE has been a very welcome initiative that has provided good opportunities for quality education to the youth of Pakistan.

### **Bagh-e-Rehmat**

Mian Naseer Ahmed was a very good friend of mine, a retired bureaucrat and a very keen tennis player. His wife, Perwin Naseer, was also a good tennis player. Mian Naseer and I used to be at the tennis court every afternoon. In the mid-eighties I thought Lahore needed another graveyard and I mentioned it to Mian Naseer Ahmed. He had been working in the Board of Revenue and said, 'I will find you the land. You set up the organization.' I went to Chaudhry Nazar Mohammad and I remember he said to me, 'Shah Sahib, you are still quite young, why have you started thinking about these things!' I said, 'We need to do this for the city of Lahore.' We therefore set up the Bagh-e-Rehmat Trust with Chaudhry Sahib as its first Chairman. I did all the legwork and Mian Naseer opened the door of the Board of Revenue and got Shaikh Ghayas Ahmad, a Government functionary, onto the Board. All the legal formalities went through quickly and we got land next to Bhatta Chowk. I was, at that time, on the Syndicate of the Engineering University. I asked them to give me a young architect and they introduced me to a young man called Aziz. He was the younger brother of Dr. Mahbub ul Haq. Aziz had just qualified from MIT in Architecture. I told him that we needed his help to design the mosque at Bagh-e-Rehmat and said, 'Here is an opportunity for us to do something for Lahore. Of course, we will not pay anything.' He designed that beautiful mosque out of over-burnt bricks.

Having some space in Bagh-e-Rehmat, Chaudhry Nazar Mohammad built a home for the elderly and the homeless on the premises. Chaudhry Sahib offered to feed them but asked them not to beg. Nobody wanted to live there; they wanted to be out and begging. A part of that building was then turned into a primary school, which is being run by his daughter, Mrs. Fareeda Kardar.

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### **South Asia Centre for Policy Studies (SACEPS)**

At a U.N. Workshop in Dhaka, I learnt that the foundations were being laid to set up a Centre for Economic Policy Studies for South Asia. Economists from India, Bangladesh, Sri Lanka, Nepal and Maldives were invited and I was asked to be a member of the Executive Board and to be their main contact in Pakistan.

It was originally based in Dhaka, but there was discussion as to where the permanent headquarter should be. I suggested Delhi; the Ford Foundation provided some funding, and SACEPS moved from Dhaka to Delhi. We wanted the same protocol from the Government of India as is given to an international organization, but the Government of India declined to give SACEPS such a status, where its foreign employees don't pay taxes, and there is no tax on any money coming into the organization from international sources. The Government of India didn't allow that and said that all international monies for the organization had to be routed through them. This was not acceptable to the members so we moved back to Dhaka. The Government of Bangladesh initially promised to give us the privileges of an international organization but they dragged their feet for too long. Meanwhile, Nepal said they would do it, so SACEPS moved to Nepal.

The mandate of SACEPS is to write policy papers to promote economic activity between the SAARC countries. For example, there was a paper on open transportation systems in the SAARC countries: another to find a way for Pakistani trucks and trains to go to Dhaka and for their trucks and trains to come to Pakistan; for the free movement of goods between Sri Lanka, Nepal, India and Bhutan, etc. The paper looked at the benefits as well as the negative aspects. Then there was a paper on custom duties, and another on education. There were economists from different universities in India, Sri Lanka, Bangladesh, and Pakistan – I got LUMS involved. They wrote papers on various projects and there was a lot of international funding because the world wants harmony among our countries, to save the time and money that we spend fighting each other. If there is peace here, they will be able to sell more of their goods and this region will be less of a thorn in people's eyes.

Ultimately, I was appointed as a Co-Chair of SACEPS along with Dr. Arjun Sengupta, a member of the Indian Upper House and an international economist. Currently I am the Co-Chair of SACEPS with Prof. Muchkund Dubey, former Foreign Secretary of India. During the past many years, we have had several meetings in different member countries and this has provided me with an opportunity to learn the points of view and national interests of the participants. Through working at this forum, I find that there is a basic urge for South Asian countries to work together for the common good.

### **South Asia Regional Fund (SARF)**

SARF was an international fund coming out of the UK's Commonwealth Development Corporation (CDC). CDC set up this fund for the region and they asked me to be on the Board, where I remained for about ten years (1996-2005). It was based in Mauritius, a great venue for meetings once a year. I made a small contribution to the decision-making and it was a good interaction with regional businessmen and financial leaders.

### **Balusa**

'Balusa' means peace, and it is a track II effort to improve relations between Pakistan and India. It consists of

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retired diplomats, military officers, and active journalists. They invited me from the private sector to be a part of this effort. We have been meeting with our Indian counterparts for the last fifteen years in different locations; we had a meeting in Albuquerque, a meeting in Amman, in Chennai and in Chandigarh. It had international funding at one time, but not now. We have had Balusa meeting at LUMS twice which I sponsored and we looked after all the travelling, residential and conference costs.

### **India-Pakistan relations**

I was 21 when Partition took place. My growing and learning years in school and college were in undivided India. Fortunately, I was not here during Partition; I was in America, so I didn't see the carnage.

As I mentioned to the Indian High Commissioner in Pakistan recently, 'You can change history; you cannot change geography.' The two countries are so close and so similar to each other. We have to get on with each other. There are no two countries in the world that have so much in common as India and Pakistan - in language, food, customs, nuances, and history. It is very unfortunate that instead of working together, we are working against each other!

Both countries are at fault. I believe that India could have played a better role; as a stronger and bigger country they should have shown more magnanimity. A couple of years ago, I was at a SAARC meeting in Colombo and among my friends, there was an Indian, a Sri Lankan, a Bangladeshi, a Bhutanese, and a Nepali. I said to the Indian, 'I can understand the Indians and the Pakistanis not being friendly but why are you not friendly with Bangladesh and Nepal? With Nepal, you share the same religion.' But the Nepalese do not like the Indians. Sri Lankans don't like the Indians either; they have to come to us in Pakistan to train their army because India had been fuelling the Tamil fire. In support of neighbouring countries, India could kill with magnanimity and kindness and still not give away more than it could afford, but they don't ingratiate themselves. They have to overcome that and I hope they will.

Indians have had a history of a thousand years of foreign rule. Like the Afghans, they don't like foreigners. Whereas the Afghans have fought foreigners, the Indians have resented them and never socialized with them. I remember we Muslims had the closest relations with Hindus but we didn't eat at each other's home. We loved to eat puris at Hindu shops but when we attended their weddings we would not stay for the food. Of course, the Hindu caste system is a problem.

Economically, the two countries would benefit tremendously if they worked together. Pakistan is inherently at an advantage in producing certain things such as agricultural produce and today our textiles are, if anything, better than Indian textiles. Though India has caught up very quickly in textiles, for the first thirty or forty years, there was too much emphasis on Indianisation. They didn't want to import equipment and said they would make it themselves. Pakistan had no textile machinery industry but they imported the equipment from wherever it was available. That is why we were able to produce goods of better quality. When Indians come to Pakistan, women rush to buy saris and textile materials. There are certain things that we do well. In the packaging industry, the Indians today have caught up, but there are a number of products that we can produce better than them. Of

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course we import many products and raw materials from India but often not directly. For instance, India has one of the most modern chemical industries in the world and currently we are importing these goods from them via Singapore and Dubai! A few things come directly across the border, but if we had open trade between India and Pakistan both countries would benefit, especially consumers on both sides.

The biggest benefit would be through tourism. There are over a billion people in India and 180 million in Pakistan. Tens of millions of people in India would like to come to Pakistan if they could. Your *chabri-wala* would benefit, your *ricksaw-wala* would gain, people would open B&Bs and make money. This is what happened in Europe and America. As a student in 1947, I travelled from coast to coast of America by car, staying in rooms for \$2 a night!

India has economies of scale but there are certain niches in which Pakistan can do well. We should not be producing everything we need, but we should produce things in which we can excel. For instance, take motorcycle sales: one of the Shirazis was telling me that of the parts that go into Indian motorcycles, almost 87% are made in Pakistan. Perhaps we can make tyres better and sell a billion motorcycle tyres to India. Take the example of Airbus, parts of which are made in seven different countries, and Boeing wings are made in Japan. We have to see who excels in what and then buyers can pick and choose. We must not have a situation in which almost 100% of goods are made in India and nothing in Pakistan. This is a challenge to our universities and to our industrialists here, to identify a niche in which they can do better than others. But Pakistan is not at a disadvantage here; India, for the first thirty years, closed her borders to luxury finished imported goods, while in Pakistan things were either smuggled in or imported, so our industry has competed with imported goods. Our people are not dumb and they are very innovative. I don't see that it would be a one-way benefit.

Above all, look at the amount of money the two countries are spending on defence: if this could be cut down to half and that money applied to health and education, what progress the two countries could make: one F-16 costs as much as a university! And then think how much is needed to keep that machine in running order! That would pay for so many PhDs.

The problem is that our foreign policy is not made by our Foreign Office. They are only pawns in the game. Unfortunately, the mindset of the army in the past has been one of total belligerence towards India.

Today, we are in a tremendous bind because we have conjured such djinns from the bottle that they are destroying everybody. The Taliban are destroying our whole society and it will require a major battle to eradicate them and force them back in the bottle. We have to reform all the *madrassas* so that they produce better people, which will take much hard work. Hatred for others and among ourselves has been brought into our society. We have to fight the poison in our system.