

1 January 2003

Minister Ashraf Ghani
Ministry of Finance
Kabul

Sir,

Greetings from Lashkar Gah. I am presently working on a drainage project in central Helmand and we are getting a lot of work done, mostly using hand labor. But now, to the point:

Something over one month ago, the government closed some 50 to 75 small privately owned cotton gins in this region. I was only aware of about 10 of the gins in the area where we are working. I briefly discussed the possibility of this situation with you last April and you were sympathetic with the plight of these small business men.

Hopefully the era of the government monopoly of the cotton industry has passed but the Ministry of Mines and Industry does not understand this. The Lashkar Gah cotton gin is paying the farmers rock bottom prices for their cotton: some 45,000 afs. per mon. The farmers in the area are not happy with this price. The local private gins pay a bit more for the cotton, process it and sell on the local market for pillows, matrices, etc. This is a market that the government cotton gin does not sell to. But still, the government cotton gin does not like the competition, as small scale as it is. Is there any possible way that you might exert influence to remedy this situation?

The situation of small industry development in Helmand is more involved than the above outline.

Please let me introduce Haji Rahim and his delegation from Helmand. Haji Rahim is from Nad-i-Ali. He and his family have been involved in the cotton industry for a couple of generations. He owns 2-3 of the closed gins. I have known and worked with him for about 5 years. He is an innovative business man with many plans and ideas for the future; the new Afghanistan. He has also been trying to import a small oil press for cotton seed oil but again has been blocked by the bureaucracy.

But this is his story, if you have time to listen. I realize that you have to be very busy these days with the new currency. Good luck in your new position.

Sincerely,

Richard B. Scott
Central Helmand Drainage Project
Lashkar Gah

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