

**The Kashmir Times Nov 23, 1995**

### **Foreign Investments**

Sir,

This is with reference to Mr Solarz's remarks that KFC closure will hit foreign investments in India (November 15).

Foreign investors in India seem to have succeeded in creating an impression that they are doing us a favour by agreeing to enter the Indian market to bail us out of the economic mess that we find ourselves in. The aim being to instil caution among the concerned Indian authorities in dealing with the multi-nationals and prevent them from taking strong measures in controlling their activities, while they engaged in exploiting to the fullest the so far untapped potentials of the Indian market. Apparently Mr Solarz, his pro-India credentials notwithstanding, is out to such an impression in Indian circles in support of American business interests. Mr Solarz would probably know better that swadeshi is not particularly an Indian phenomenon. All countries including the US practice it in one form or the other to protect their trade interests. While the Americans feel peeved at some feeble attempt made in India to exercise control over the products of the multi-nationals for quality or for checking undue exploitations, they themselves have most unabashedly blocked the entry of Indian ready-made garments and carpets on flimsy grounds as soon as these displayed a potential for flooding the American market.

India is, perhaps, yet to learn the art of handling the multi-nationals. In our eagerness to open our market to foreign investors, for reasons of our own, we must not add to the prevailing impression that our need is greater than theirs lest we lose our bargaining power. We must realise that our market holds out great promise for foreign investments and that whatever we may do to the KFC or Enron, the foreign investors are not going to give us up. We have China's example to emulate. In spite of China defying the US on every trade issue between the two countries, it is to receive the most favoured nation treatment from the latter in trade matters. The Enron's graceful climb down on the terms and conditions to make them more favourable to us, on being threatened with closure, only goes to prove the point. It was good handling of the case by the Maharashtra Government. None should crib if the parties concerned derive political advantage on the basis of their performance.

As a supporter of swadeshi one may not necessarily favour the causing of hindrances in the functioning of the multinationals or bringing about their closure. That would be imprudent. For, we stand to gain by their smooth functioning as much as they do. Swadeshi should reflect an attitude. The most positive attitude would be to meet the challenge through competition. The challenge from the KFC could, for instance, be met by, say, some KTC (Khalsa Tandoori Chicken) which could give the KFC people a run for their money not only in India but also in their homeland.

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