

Indian Express August 10, 1991

The IMF bogey

Sir:

Mr Ram Jethmalani's article "The IMF bogey" (IE July 27) makes interesting reading. One cannot, however, agree with Mr Jethmalani on all the issues raised by him. It is probably true that the Nehruvian model in India has failed and that there is an urgent need for change. What hurts our national pride today is not the change but that it should have been thrust on us by IMF.

May be the Narasimha Rao government had no alternative but to accept the conditions imposed by IMF to secure financial assistance for tiding over the present economic crisis. But it would not be correct for Mr Jethmalani to say that the argument that the IMF conditions encroach upon India's sovereignty in the matter of defence and foreign affairs is without merit. It is true that on the face of it any interference in the defence and foreign policies of client nations is beyond the objectives of IMF, but in actual practice contributors to IMF invariably look to their money's worth not only in terms of monetary returns but also political leverage. Indeed the US as a major contributor holds the strings of the IMF. The US is not such a paragon of virtue as not to take advantage of India's dependence on the IMF.

While discussing the defence aspect, the lawyer in Mr Jethmalani seems to have got the better of the realist in him – probably due to his eagerness to support the Government "in repelling the vicious criticism of the IMF". While the realist in him suggests the inevitability of wars, the lawyer reminds India (mind you India alone) of its commitment as a member of the United Nations, to renunciation of war as an instrument of foreign policy. Again while the realist would not allow him to dilute or abandon military preparedness to meet "foreseeable threats of aggression," the lawyer calls for statesmanship to remove all causes of friction that could lead to a war and then utilise the saved funds for the well being of the nation. The realist would have known that we have already tried this against the Chinese and failed.

If the Government can do nothing about the infringements on its sovereignty and must accept the conditions laid down by the IMF as the only way out of the crisis, it could at least issue a white Paper and make a clean breast of the whole affair.

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