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IMF Program Shoved Suharto Out the Door

George Melloan concluded that "It was mainly the acceptance of bad advice from the International Monetary Fund to devalue the rupiah that set off capital flight, destroyed the banks and crashed the economy" ("Regaining Investor Trust Is Indonesia's Challenge," *Global View*, May 10). This served as a cue for the director of the IMF's External Relations Department, Thomas C. Dawson, to reply ("Don't Blame Devaluation in Indonesia on the IMF," *Letters to the Editor*, May 17). As usual, Mr. Dawson delivered his lines flawlessly: Indonesia's troubles did not result from the IMF's advice.

As a matter of fact, Mr. Melloan's characterization of the IMF's role in the Indonesian affair is rather mild. The IMF actually launched a regime-change program that succeeded at the price of devastating the Indonesian economy. As former U.S. Secretary of State Lawrence Eagleberger put it: "We were fairly clever in that we supported the IMF as it overthrew. Whether that was a wise way to proceed is another question. I'm not saying Mr. Suharto should have stayed, but I kind of wish he had left on terms other than because the IMF pushed him out." Even the former managing director of the IMF, Michel Camdessus, could not find fault with this assessment. On the occasion of his retirement, he proudly proclaimed: "We created the conditions that obliged President Suharto to leave his job."

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