IMF, Brits Conspire To Starve Indonesia

by Michael Billington

Feb. 21—Indonesia, the fourth-largest nation on Earth, with 238 million people, is in the midst of a totally unnecessary food crisis. While singled out as one of the 13 countries targeted for population reduction in the infamous National Security Study Memorandum 200 of 1974, which argued that population growth in these nations would use up the valuable resources needed by the Atlantic powers (see *EIR*, Feb. 18, 2001, p. 23), Indonesia is suffering from the same global genocidal policies now exploding the globe: British free trade.

Following the 1998 speculative assault on the Indonesian currency, which collapsed whatever real growth the nation had achieved under the 1966-98 Suharto dictatorship, the IMF, which bailed out the usurious and largely illegitimate foreign debt, imposed horrific conditionalities, including the elimination of tariffs on rice, soy, and other staples, as well as the elimination of the state monopoly over food import and distribution.

Within a few years, fully half of the 5 million soy producers were driven out of business by cheap imports, mostly from the subsidized U.S. export market. The staple food, called *tempeh*, for the majority of the country's 75 million poor, is made from soy and chili peppers. In the past few months, the cost of soy has risen by 40%, while chili peppers rose by an incredible 400%, creating an immediate threat of malnutrition and food riots among the poor—in fact, the less-severe food inflation of 2008 saw food riots in many parts of the country.

The government is meeting the crisis by selling rice at subsidized prices. However, to get the extra rice, it has again lowered the rice tariffs to zero, which, in turn, threatens the livelihood of the rice farmers—about 20 million households—by driving down the price paid to the farmers. The two major opposition parties (GOLKAR and PDI-P) are fighting to cancel the government's plan to import 2.5 million tons of zero-tariff rice. Of course, rice prices are themselves certain to rise in the near term, as hot money from the bailout of the Western banks flows into food speculation.

The severity of the impact of food inflation is exemplified by the fact that, on average, Indonesians spend 43% of their income on food—among the highest in the world. By contrast, Americans spend only 7%, although the poor in the U.S. spend about 20%.

There is more. Prince Charles has travelled numerous times to Indonesia, in an effort to stop any new deforestation, under the guise of stopping "global warming," but, in fact, to prevent agricultural development and promote his depopulation plans. In May 2010, the Prince, with help from George Soros (the architect of the destruction of Indonesia's economy in the 1998 speculation), signed a deal with Jakarta to hand over a paltry $1 billion in aid, in exchange for an Indonesian pledge to stop any new transformation of forest land to agricultural purposes—and even to turn some agricultural land back into forests!

Indonesia is the world's leading producer of palm oil, a crucial nutrient in the Southeast Asian diet. Yet huge quantities of this major food source are being sold as a "biofuel" in Europe. And now the expansion of palm oil production is jeopardized by this British colonial policy of locking up forest land against agricultural use.

Indonesia has never recovered from the destruction of the 1997-98 speculative attack. While the British financial elite prattle about Indonesia joining the BRIC (Brazil-Russia-India-China group) as a leading driver of "global recovery," the reality is otherwise, as admitted by the World Bank's lead economist for Asia, Shubham Chauduri, at a Washington forum on Feb. 23. Chauduri acknowledged that the "growth" of the past years was primarily in the service sector, while infrastructure and manufacturing remained dormant, despite repeated appeals from the government for foreign direct investment in these areas. The Western powers demand conditions on their investments which impose all the risk on Indonesia, which has generally refused to give in. Some desperately needed infrastructure investment is coming in from China and India, but not adequate to the needs.

Chauduri heaped praise on Indonesia for retiring much of its foreign debt. Indeed, it is the extraction of debt service and raw materials which constitutes progress for the imperial interests, even while the threat of famine promotes their intended depopulation.

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