

# 'Send them a shipload of rice': Australian food aid to Indonesia, 1960s-1970s

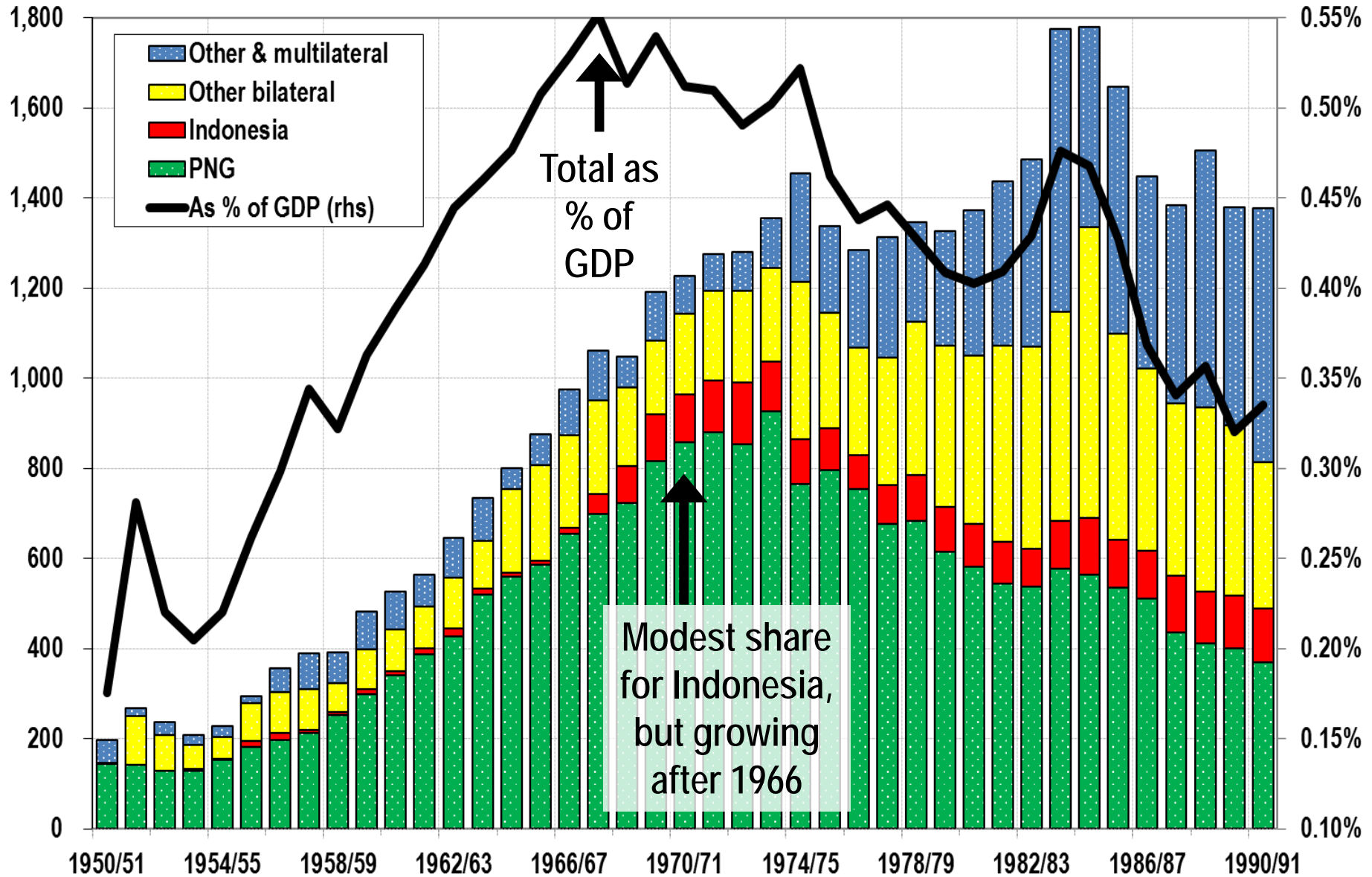
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# Me & my paper

- Research interests:
  - economic history & development economics
  - Australia's foreign aid since 1950s, particularly to Indonesia
- Paper explains one aspect:
  - fast growth of Australia's aid to Indonesia since mid-1960s
  - initially mainly in the form of food aid – why?
- Paper is largely based on Australian government records in National Archives of Australia

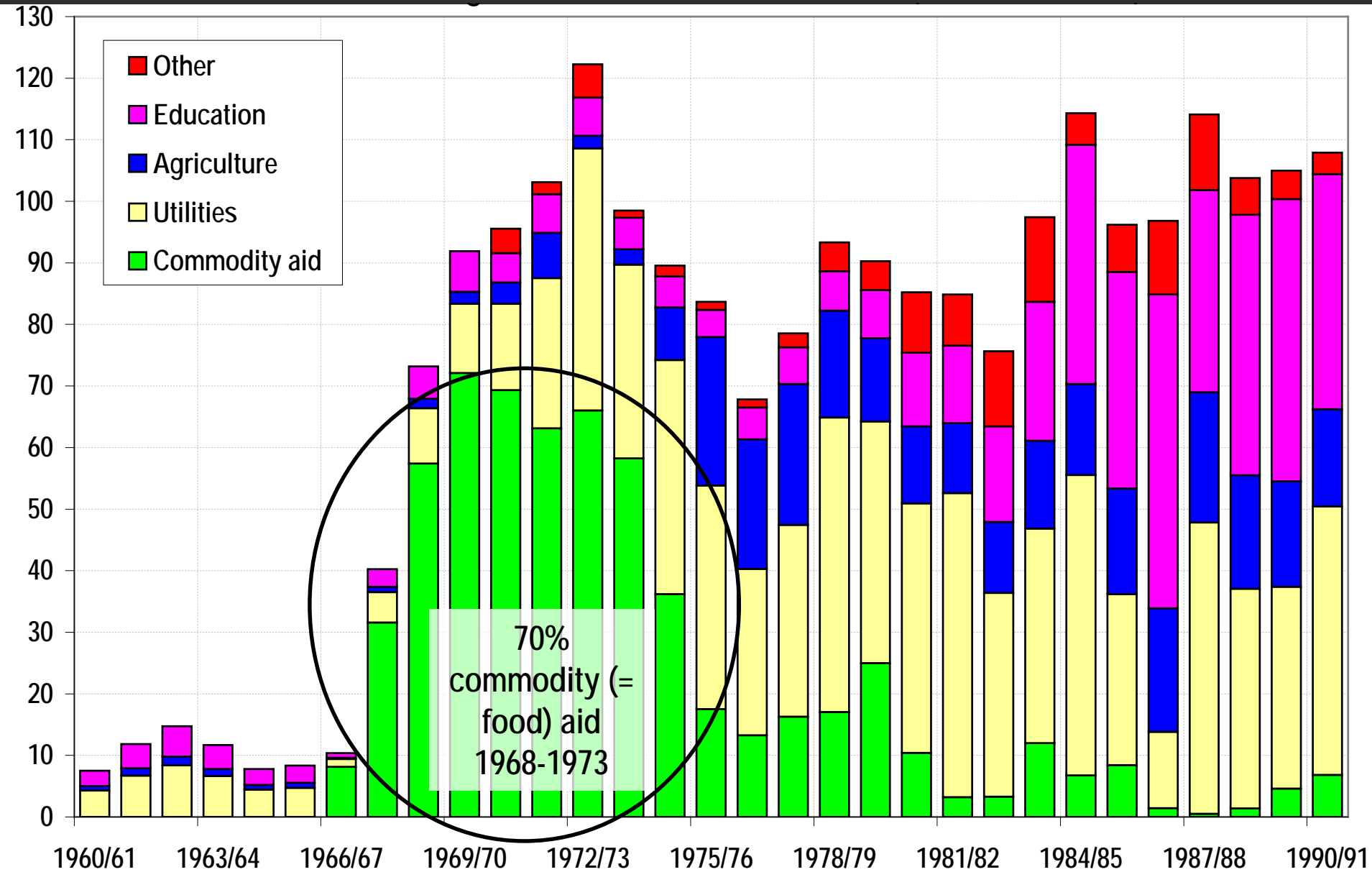


# Australia's foreign aid (million 1996/97 A\$)





# Australia's foreign aid to Indonesia (mln 1996/97 A\$)





# One answer: famines & food production shortfalls Indonesia

- Previous President Sukarno denied reports of famines in foreign media: 'lies, all lies' (*The Straits Times*, 5 December 1963), propaganda expected Indonesia soon self-sufficient in rice
- New President Soeharto, 'green revolution', rice, but effect not until 1970s



**Hongersnood bedreigt Pekalongan**  
 Volgens de dienst van economische zaken en het plaatselijke bestuur van Pekalongan worden circa 6.000 inwoners in de residentie Pekalongan met hongersnood bedreigd.  
 De dichtbevolkte kabupaten Pegalangan is het meest bedreigd, niet omdat het een mingebied is, doch wegens de onveiligheid aldaar, waardoor een groot aantal streken van de buitenwereld geïsoleerd is.  
 Maatregelen zijn genomen teneinde door rijstinjecties de dreigende hongersnood het hoofd te bieden, doch de distributie schijnt tot dusver niet vlot

Java Bode, 1957

**Lapar antjam Kalimantan**  
 Banjarmasin, 24-2 (Ant.)  
 Diantara atjara2 hangat yang dibitjarakan pada siang hari, DPRD Peralihan propinsi Kalimantan Selatan kemarin malam, ialah hal kekurangan beras untuk daerah propinsi Kalimantan Selatan.  
 Atas keputusan sidang telah dikirimkan kawat kepada pemerintah pusat pada kesempatan ini, DPRD propinsi Kalimantan Selatan akan ditambahkan dari pembiharaan2 mence...

Merdeka, 1957

**\* TANAH TUMPAH DARAH**  
**585.819 Djiwa Terantjam Bahaja Kelaparan Di Daerah Djawa-Tengah**  
 SEMARANG (Antara) — Dari pihak Inspeksi Sosial Djawa Tengah "Antara" memperoleh berita, bahwa sampai kini di daerah Djawa Tengah terdapat di 16 daerah Kabupaten, Jang terbesar terdapat di daerah Kabupaten Tjilatjap, Banjumas, Purworedjo, dan Sragen, ialah masing2 486.594 djiwa; 47.589 djiwa; 12.964 djiwa dan 12.175 djiwa.  
 Tidak diperoleh keterangan berapa korban kekatjaan dari 24 Desa yang terantjam kelaparan di daerah Djawa Tengah.  
**BANTUAN P.M.I.**  
 MADJALENGKA (PR). — Kepada pemerintah pusat telah dikirimkan kawat dari pemerintah Kalimantan Selatan dan Kalimantan Tengah mengenai kekurangan beras selama tahun 1956 tadi menerangkan kepada "Antara", bahwa penduduk Kalimantan Selatan dan Kalimantan Tengah berjumlah 1.796.590 djiwa. Setiap djiwa memerlukan beras dalam setahunnya 1 kg; maka daerah Kalimantan Selatan dan Kalimantan Tengah memerlukan beras 1.796.590 ton. Pemerintah pusat telah memproduksi beras di Madjalengka dan ladang pakaiannya sedang diusahakan di daerah Djawa Tengah sampai akhir 24 Desember dan...

Pikiran Rakjat, 1958

**One million face starvation in Central Java**  
 A MILLION people are facing starvation following the longest drought and the worst rat plague within living memory in Central Java.  
 The deputy governor of the region, Mr. Soejono Atmo, gave this estimate of the extent of the famine now raging in an interview with foreign news correspondents here.  
 A total of 12,000 people are being treated for malnutrition in provincial government hospitals.  
 Mr. Soejono said that 10,000 peasant farmers and their families are being treated for malnutrition in provincial government hospitals.  
 He said that the famine is the most serious since the end of the war and that it is spreading to other parts of the province.  
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Straits Times, 1964

## Other answers in the paper (1)

- Failed coup September 1965, but Australia-Indonesia effectively at war (*konfontasi* with Malaysia) until September 1966
- Most pressing economic issue for Indonesia after September 1965 was **BoP deficit + flagging export earnings** →
  - difficulty increasing food imports for famine alleviation
- For donors: No functioning distribution mechanism in Indonesia to distribute food aid in accountable way, until
  - military created *Komando Logistik Nasional* in April 1966, which became military-aligned Bulog in 1967
- Problem with project aid: long lead-up times (design, contracting etc.) → **commodity (food) aid much faster absorbed** →
  - rapid increase Australia food aid to Indonesia since 1967

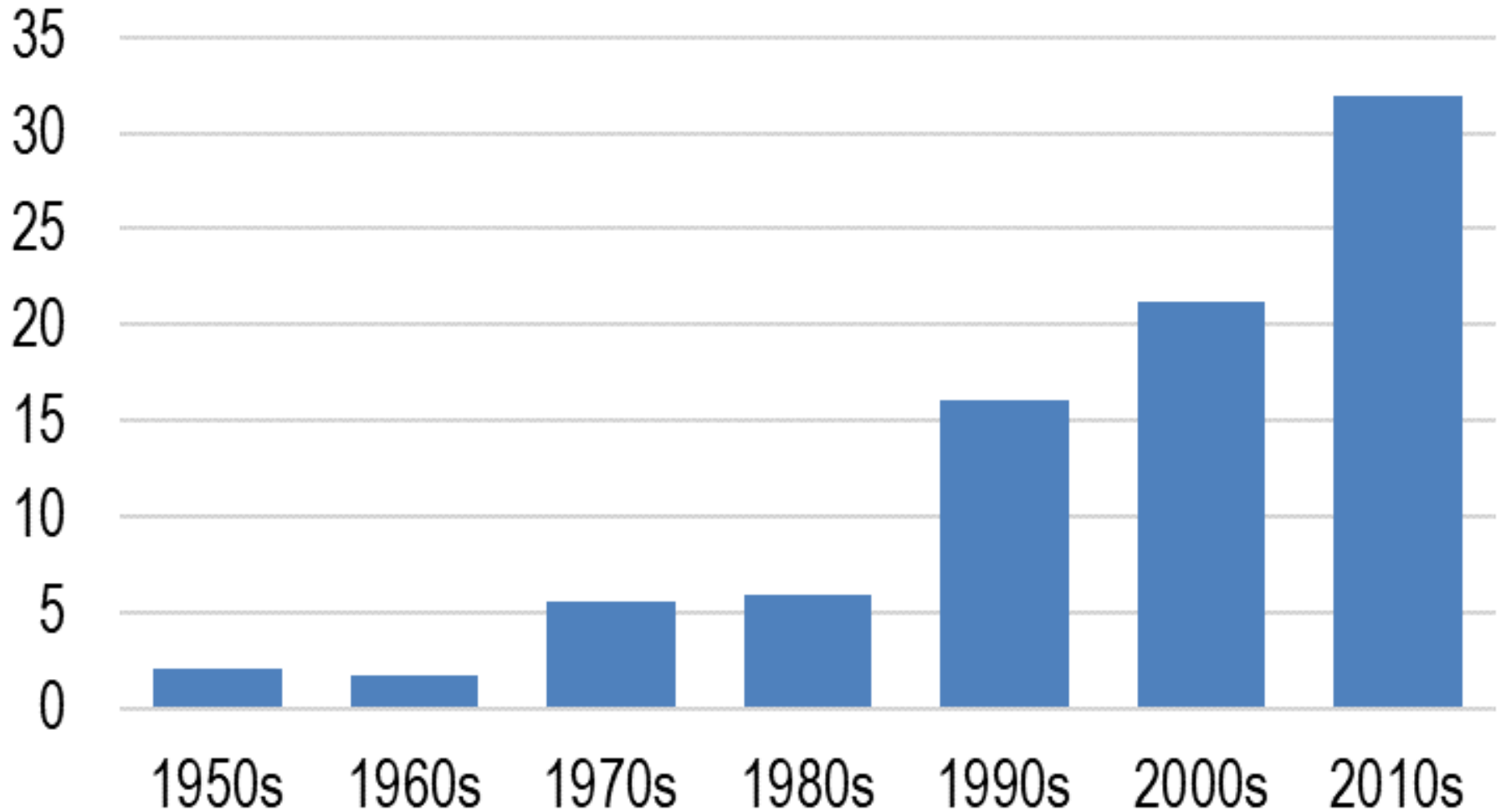
## Other answers in the paper (2)

- But Indonesia received food aid not only from Australia, also from much bigger donor USA under PL480 program
- Was major concern for Australian wheat flour producers
  - in late-1950s PL480 led to loss of market share in India
  - safe Australia wheat market share in Indonesia, until PL480 **wheat flour & rice aid from USA started 1967** →
- Lobbying of Australian government by wheat & rice traders to increase food aid to Indonesia or risk loss market share
- So, Australian official statements: famine relief. But no direct relations food aid – distribution in famine regions in Indonesia
  - distribution by Bulog of aid AND commercial food imports
- Safeguarding share in Indonesia wheat imports important:
  - wheat aid & imports ↑↑ = **Indonesia's instant noodle industry** ↑↑



## Noodle addiction since the 1960s:

Wheat consumption Indonesia kg/capita/year







1966: 'Rice for Lombok' collected privately at Sydney central railway station

Source: National Archives of Australia, A1501 A6862-1



## 2. Indonesia became a big food importer

Annual average imports of rice and wheat, 1951-1990 (1,000 tons)

