

Report from Bonn by Rainer Apel

IMF policies will cause new floods

No real flood-control measures have been put in place, one year after the catastrophe on the Oder River.

On July 25, Chancellor Helmut Kohl visited Ziltendorf, for an event commemorating the big flood along the Oder River in July 1997, which put the village under 10 meters of water.

More rain fell upon the Riesen and Altwater mountains in a few hours, than in six months of a normal year. Some 150 million cubic meters of rainfall caused the worst flood catastrophe in 250 years, as 20% of Polish territory was flooded in the southwestern regions, along the upper sections of the Oder, Vistula, and Nysa rivers.

By comparison, the German regions bordering on the lower section of the Oder suffered far less damage. The German dikes had a few days more to be reinforced than did the dikes in Poland. The flood damage in Germany cost 1 billion German marks (about \$590 million), but damage in Poland rose to at least ten times that sum.

On Aug. 14, 1997, Andrzej Byrt, Poland's ambassador to Germany, gave a preliminary report in Bonn: 2,592 villages, towns, and cities were hit, and 1,362 of them were entirely inundated under a flood of water 10 or more meters high; 671,195 hectares, of which 400,000 were farmland, were flooded; 808 kilometers of dikes along the Oder and 307 km along the Vistula were severely damaged, and had to be restored or substantially rebuilt; 150 hospitals and other medical facilities, with all their inventory, were destroyed.

One year later, 80% of the damage to private housing and village infrastructure has been repaired in Germany. The restoration of dikes is proceeding slowly, however, because at

the present rate of DM 30-40 million per year for dike-building, the job will take another seven years. Only then will the dike system on the German side of the Oder be in shape to withstand a flood of the dimensions experienced in the summer of 1997.

In Poland, far less has been done since last summer to establish efficient flood control: Only 20% of the damage has been repaired, to date.

The slow progress there cannot be blamed on the Polish people, who have the same interest in rebuilding their homes, villages, hospitals, and bridges as the Germans do. But Poland is run by a government that is loyal to the International Monetary Fund (IMF) and World Bank, and respects all the budget restraints that have been imposed as conditions by its creditors. Germany's government is loyal to the IMF as well, and also has a balanced-budget policy, but the standard of living and condition of the infrastructure are much better there. Even in eastern Germany, which, like Poland, was ruined by a communist regime between 1945 and 1989, the situation is much better than in most of Poland. But, had Germany suffered damage to the extent that Poland did, it would have run into similar problems.

To be able to repair flood damage of \$6-8 billion, the Polish government cannot remain loyal to the IMF, because there is no way to allocate the required funds from the state budget, which is under tight monetarist control. Yet the Warsaw government has maintained its loyalty to the IMF, and so the reconstruction of bridges, dikes, and roads has not made much progress. Only 668 bridges and 1,700 km

of roads, out of the 2,800 bridges and 6,300 km of roads that were damaged last year, have been rebuilt. And of 753 km of dikes, mostly along the Oder River, only 51.5 km have been restored; along the Vistula River, only 19 out of 505.5 km. At this pace, it will take another four years to get back to the pre-flood levels of transport infrastructure and housing.

The figures reveal not only the situation in Poland, but also reflect on the policy of the German government, which insists that the Poles pay obeisance to the IMF, first, and only after rebuild the disaster areas. The German Chancellor also used his visit to Ziltendorf, to call on the Poles to drop their national water development plan, "Oder 2006," for the sake of "protecting nature" and "natural flood control." This would imply measures to decrease the density of population, to create "retention zones" along the river to make room for flooding and to build no dams. It further suggests that Poland be so "nature-minded" as to flood its own territory, to protect Germany's.

This is dangerous nonsense. Set the Poles free from the IMF and allow them to complete "Oder 2006." Germany should cut out the mindless ecologism and start deploying dredges to deepen the Oder River, so that flood waters could flow off to the Baltic Sea.

As a by-product, the Oder would finally be made navigable for big barges — which is what Poland wants, to improve the arteries of supply to its industry in the southwestern regions, and the transport of products from there.

For the underpopulated and under-industrialized regions of Germany that border on the Oder, a similar approach would create incentives for economic development. Instead of trying to talk the Poles out of "Oder 2006," the Germans should contribute to realizing it.