

HURRICANE MITCH

An Aftermath of Deforestation and Global Warming

by Md. Asadullah Khan

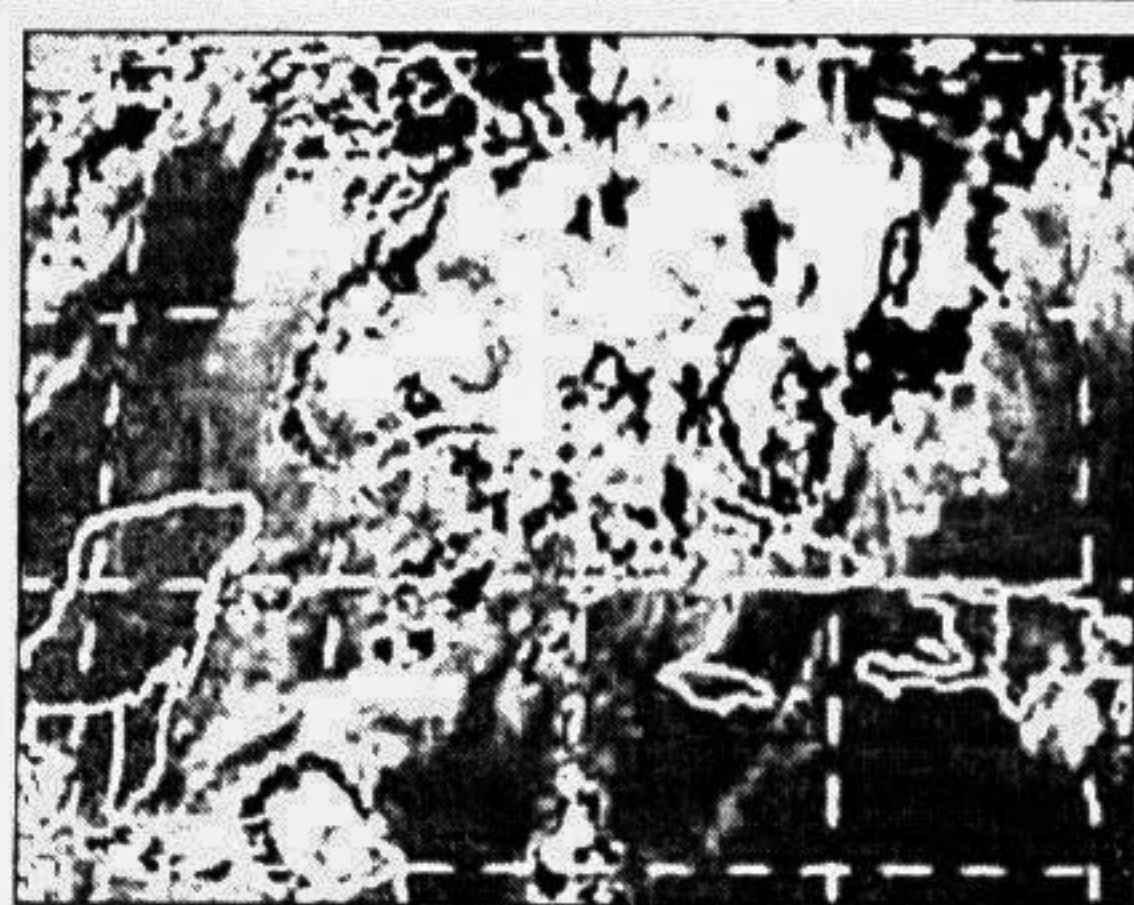
HURRICANE Mitch that devastated different parts of Central America in the last week of October caused extensive damages to lives and property in affected areas. The death toll from flooding and mudslides rose to 11,000 with one million rendered homeless, according to latest estimates. Honduras' President Carlos Flores called this his country's worst disaster of the century. "We have 75 per cent of our major infrastructure either destroyed, damaged or torn apart. All of our major crops, our export products gone," Flores said. In Honduras alone some 7000 people were killed. Reports carried by CNN and Reuters on November 7, last indicated that even after a week the storm ravaged bad weather hampered some of the massive international relief efforts. Situation there was desperately bad. Rain prevented aircraft from reaching areas where the storm had washed out roads and bridges and added to the victims' misery. Again rivers burst their banks and mudslides tumbled down the sides of mountains in Nicaragua even a week after the centre's deadliest Central American storm.

In one report televised by CNN it has been revealed that inclement weather forced a C-130 transport aircraft loaded with food to return after it tried to fly 70 miles north to a recently opened airfield in La Mesa. "The visibility was so poor that unfortunately we had to abort the mission," said the pilot Capt. Jason Wiener. Gen. Charles Williams who is now in charge of U.S. military operations for disaster in Latin America is learnt to have ordered more helicopters, heavy equipment, medical staff and construction teams for the relief effort. But the death toll from storm continued to mount by the hour. The economic damage includes \$3 billion in infrastructure in Honduras and Nicaragua aggravated by temporary lay off of up to 18,000 banana company workers in Honduras. In Nicaragua official estimate put 3,800 dead including 1,267 missing, plus hundreds more buried under a sea of mud covering 80 sq. km that came cascading down a volcano in the north west of the country, wiping several towns off the map.

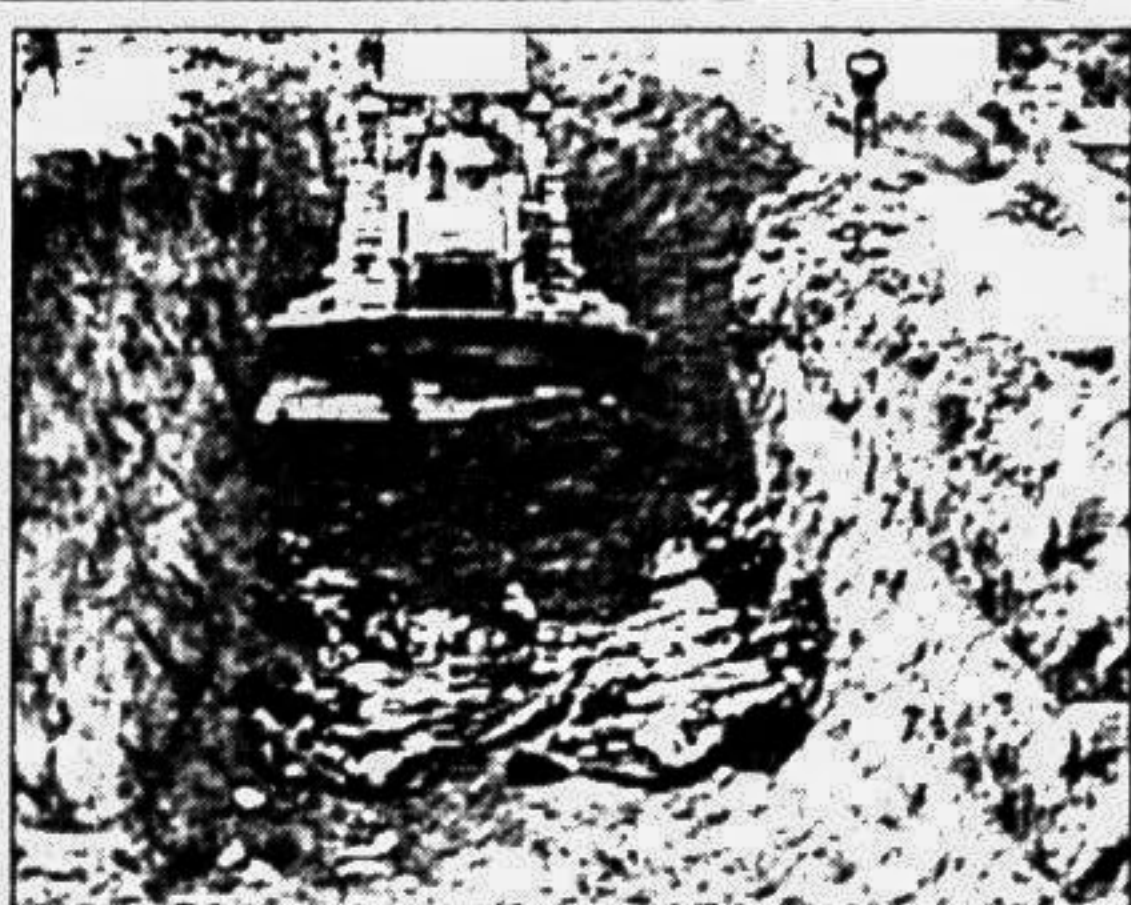
Former U.S. President Jimmy Carter who visited the devastated hurricane site immediately after the disaster said, "Seen from the air it is very clear that this disaster is worse than the earthquake of 1972". Carter said this referring to the quake that killed 5,000 Nicaraguans 26 years ago. Reports circulated through the Washington Bureau of Boston Globe on November 11 last described Hurricane Mitch as the worst natural disaster in Central America in decades. Scientists are arguing that humans have made the devastation even worse. "Clear cutting and logging hillside farms and rampant housing development exacerbated mudslides and floods," scientists say. The damage was most extreme in Honduras, where loggers and farmers have stripped away 2,25,000 acres of forest every year. "The hurricane was a natural disaster but it was worsened by the action of man's deforestation," said Dr. Carlos Medina, a physician and biologist who served as the country's environmental minister from 1992 to 1996. Environmentalists fear that the desperate need to provide jobs and housing for hundreds of displaced people may prompt Central Americans

The world is yet to see the worst. Insurers in the U.S. have concluded that a green house world could "bankrupt the industry," as the President of the Reinsurance Association of America said in the recent past. Hurricane Andrew, the kind of storm the warmer world could see more of, produced \$16.5 billion in damage claims.

to chop down more of their rain forests and build on precarious hillsides and river banks. Mitch which left billions of dollars of destruction, at one point was a "category 5" hurricane, the fiercest known. Medina and others agree that even if forests had been intact, Honduras and neighbouring countries would not have been protected from surging rivers. Volunteers of the Peace Corps, which has sent dozens of conservation specialists in the past few years reported that clear-cut areas were devastated by mud and avalanches. Report from farmers to California-based sustainable Harvest Coffee Co. indicate that Mitch barely had an impact on small, experimental "shade grown" plantations that mix coffee with traditional trees. On the other hand, a lot of places where they had clear cut "the solid structure collapsed and the plants have literally slipped down the slope", said Dave Griswold, the founder of a prominent importing company. Noticeably, a helicopter flight over central Honduras showed that heavily forested areas were relatively unscathed. But the region where trees had been plundered and colonies and slums have sprouted on hills were denuded. Even the houses had tumbled



Tropical Storm Mitch at 7:45 p.m. EST



Victims of Mitch are buried in mass graves in Honduras

into rivers. "Some of the mudslides could have been avoided if people had not built colonies there," said Patricia Panting, executive director of Pro Lena, a non governmental group in Tegucigalpa that tries to preserve forests. Bruce Cabarle, director of Global Forest programmes for the World Wildlife Fund called settlements as "disasters waiting to happen". In a report prepared before Mitch, the Central American Commission on Environmental and Development suggested that deforestation was imperiling prosperity. "Certainly if you cut down

forests on hill sides you increase the vulnerability to sliding - that's been demonstrated all over the world", said Edward A. Parson, an associate professor who specialises on international environmental policy at Harvard John F. Kennedy School of Government. At the United Nations Foundation, set up by Ted Turner, specialists said that Mitch was reminiscent of floods in China and Bangladesh this year. Blaming clear cutting, along with other factors China laid off tens of thousands of loggers. Bangladesh conceded that ruinous environmental practices

had worsened the flooding. Protest notes and speeches blaming wrong environmental policy were echoed from many quarters namely, scientists and environmental groups. "Clearly there are some ecological underpinnings to many of these natural disasters," said Ian Bowles, a vice-president of another group, Conservation International. In a speech in Washington on 10th November last, James Lee Witt, director of the Federal Emergency Management Agency said that the United States, too must curb construction projects in flood prone ar-

Unprecedented Natural Disaster in Central America

by A S M Nurunnabi



Mourning is almost as much a luxury as burials in Central America these days. There are too many dangers still lurking, from looting to food shortage to epidemics.

destruction, wreaking havoc all along its meandering track from northern Costa Rica to southern Mexico. El Salvador and Guatemala suffered serious damage but their plight has been overshadowed by the utter ruins in Honduras and northern Nicaragua.

As with Hurricane Georges, which spun through the Caribbean last September, the worst damage did not come from high winds but from the drenching rains that came as the system disintegrated over land. Mitch dumped 50 inches of rain on areas that, due to drought and deforestation, had little or no vegetation to prevent deadly mudslides. The result is, as an aid official said, "the worst disaster we've seen in this hemisphere." The irony is that the civil wars that affected the region didn't do as much damage as the storm has done.

The storm's most gruesome killing fields were on the slopes of Nicaragua's Casitas Volcano. There the avalanche of mud and water swallowed up entire villages and killed anywhere from 1500 to 2000 people. The mudslide turned the volcano's emerald slopes into a reddish-brown moonscape with few signs of life that was once there. On the slopes, most of the dead were entombed deep in the mud. But in the fields below, corpses

were still strewn about in the muck, many of them bloated beyond recognition. Government officials have decided to close off the entire area around the volcano and turn it into a national cemetery.

Mourning is almost as much a luxury as burials in Central America these days. There are too many dangers still lurking, from looting to food shortage to epidemics. In Honduras, which the storm has turned into a muddy archipelago of islands, more than 6,000 people are confirmed dead, another 5,000 are missing and 1.4 million people - 20 per cent of the population - have been forced to abandon their homes. The burden of these refugees is simply too much for a crippled economy of these countries.

The Honduran ambassador to the United Nations lamented: "We have gone backwards 30 years - and billions of dollars are needed to rebuild both Honduras and Nicaragua." For now a global relief effort is trying to fill the gap. President Bill Clinton has boosted US emergency aid to the region to \$70 million, including \$24 million in food aid, \$30 million in aircraft and other services from the Defense Department.

It was expected that Finance Act 1998 would bring revolutionary changes in the Finance Ordinance for eliminating the ambiguous, ill defined, misinterpreted and contradictory provisions of Income Tax Ordinance 1984. It was also assured by a former Chairman, National Board of Revenue as well as by its present Chairman, that the Ordinance 1984 shall be revised, re-written and re-drafted so that interpretation of the statute should be in clear and lucid language and no room for presumption, assumption and surmise. Instead we find that Finance Act 1998 has made an ordinance complicated by inserting section 82C. It has introduced some contradictory provisions without amending the relevant section, which are directly affected. Salient features of this provision are: (1) The tax deduction shall determine the income relating to the assessee, a tax deductible, and final and complete discharge of tax liability under this ordinance. (2) Nothing will be deductible or any allowance shall be allowed from the aforesaid income; no refund nor any amount shall be set off from any other source of income. (3) The assessee will not get tax credit for payment of tax under this section while explaining the nature and source of any sum, investment, money,

Assessment Procedure Introduced by Finance Act 1998: A Review

by Altaf Hossain

We have found that there was lesser harassment of the assessee and also the discretionary power of the assessing officer was curtailed for making assessment, based on proper and facts.

valuable articles excess amount or expenditure referred to in section 19 of Income Tax Ordinance 1984. Section 2 (34) i.e. definition of income is required to be amended for accommodating the provision of section 82C i.e. tax on income of certain persons. (4) It is quite a departure from the provision of section 16 I.T. Ordinance 1984 which provides for charging tax on the basis of income of previous year. The deduction of tax in respect of supply of goods, execution of a contract, manufacture of cigarettes, goods imported other than goods imported by an industrial undertaking for its raw material, sale of immovable property and tax payable on declaration of dividend shall be regarded as complete and final discharge of tax liability in respect of income under these heads. (5) The aforesaid provision has not clarified what will hap-

pen to the provision regarding the deduction of expenses, i.e. interest payable on capital borrowed for purpose of shares, exemption of Taka 30,000/- dividend received from public limited company whose shares are listed with Stock Exchange. The aforesaid provision has also denied the benefit of maximum amount of exempted income i.e. Taka 60,000/- in the case of small income earners from dividend. The complication has arisen in respect of assessments of aforesaid heads while the above amendment has not been clarified by the National Board of Revenue till today except that this new provision will be applicable from the assessment year 1999-2000. The discrepancies have arisen in the following cases: (a) Section 16 prescribes the basis of tax payable on income of previous year. The income from supply of goods, execution of contracts are taxed in accor-

dance with the provisions of section 28, 29 and 30 and 2(34) of Income Tax Ordinance 1984. Moreover the companies incorporated under the Companies Act 1913 or 1994 have to prepare the accounts as per prescribed form and also in accordance with section 183, 184, 185 and 186, 187, 188, 189 of the Companies Act 1994. The trading results of these companies may be profit or loss. If we do not amend the other relevant provisions, then the new amended provision regarding tax deduction on certain persons shall be contradictory making some provision of the Finance Ordinance inoperative. (b) That in the case of import of goods other than the goods imported by industrial undertaking as raw materials, the differential treatment is nothing but against this provision of fiscal law and also against our constitution. If tax is deducted at the time of import of goods than such tax deduction

shall be treated as complete and discharge of liabilities. Whereas the companies which import goods for raw materials shall pay tax on income as per section 2(34) of Income Tax Ordinance and the above income shall be computed under section 28, 29 and 30 of Income Tax Ordinance 1984. This amendment is nothing but is opposed to the spirit of our Constitution. (c) In the case of tax deduction and payment at the rate of 7% per cent of consideration shown at the time of transfer of capital asset, the deduction shall be treated as complete and final in respect of transferors' tax liabilities from capital gains. But the transferer has got the right to exercise his or her option in investment like immovable property or residence, capital asset of an industrial undertaking or construction of new building or apartments, or purchase of shares of new company listed with stock exchange provided these shares are held

for two years and for investment in equity of a company which is incorporated for setting up a new industrial undertaking. Provision regarding capital gain and its computation including the estimate of fair market value of consideration of capital assets should be deleted in order to make aforesaid new provision effective. Rate of tax on capital gain as per second schedule is to be revised in accordance with the new provision. (d) Provisions mentioned in 82C (5) and (6) are very badly drafted and drafted. The provisions do not carry any clear meaning in respect of credit to be given for tax deduction in respect of income from other sources and tax relating to income of a partner of a firm whose income is determinable under this section. As the Board has issued a circular and stayed the operation till assessment year 1999-2000, so I hope, a step will be taken to eliminate the above anomalies and make such law as will be easily understood by the people so that they will come forward to pay Tax. Assessment through correspondence i.e. section 83 of ordinance is now replaced by this Finance Act.

The writer is an Advocate

CLIMATE CHANGE Message in a Bottle

Katy Salmon writes from London

World leaders recently met in Buenos Aires to continue talks on reducing emissions which damage the atmosphere. But as Gemini News Service reports, the growing consensus outside the corridors of power is that the damage is inevitable, and that political realities will never allow effective action to be undertaken.



THE KYOTO GAMBLE Remembering lives lost to climate change

INSIDE each glass jar is a face - a smiling schoolgirl, a wizened old man, a frowning woman. Row upon row, as far as the eye can see, they stare out at the viewer. These are the people of Dong Ping Lake in the low lying coastal region of Qing Dao in northern China. A one metre rise in the sea level - as a consequence of global warming - will permanently obliterate their homes. They have been flooded several times in the past few years but, as the poorest farmers in the area, their only means of survival is to live by the shoreline alongside the lake.

The Qing Dao jars form part of 'The Kyoto Gambles', an exhibition by British artist Christina Kopernik-Steckel. She uses installation and photography to depict the all-too-real human devastation which lies ahead, too easily forgotten amongst the complex political negotiations over climate change. The politicians seem to believe that climate change will not happen," she says. "For these people, it is already a reality."

Buenos Aires was the follow-up to last December's Kyoto Summit in Japan - from which Kopernik-Steckel draws the name for her work. There, political leaders discussed the risks to the world environment from global warming, caused by the burning of fossil fuels, which increases the level of greenhouse gases such as carbon dioxide in the atmosphere. Recognising the need for co-ordinated action to tackle this looming catastrophe, they signed the Kyoto Protocol, setting a target of a 5.2 per cent average reduction in overall global greenhouse gas emissions by 2012 from 1990 levels. But now the protocol's very survival is in jeopardy. It will not become legally binding unless it is ratified by countries responsible for 55 per cent of the world's carbon dioxide emissions.

Opposition is strongest in the US, with only 4.6 per cent of the world's population but 22 per cent of its carbon dioxide emissions. The Republican Party and the Global Climate Coalition of car and fossil fuel companies are lobbying hard to prevent ratification of the protocol unless the emissions cuts are forced on the developing world. "If the US does not ratify it, the whole protocol will fall," says Anna Stanford, of Friends of the Earth. Yet many scientists fear that people only go so they won't drown. And they're getting more information about when they should leave. These things are very simple and don't cost much," says Nicholls.

The writer is a British freelance journalist who writes regularly for Africa Analysis.

