HURRICANE Mitch that devastated different parts of Central America in the

last week of October caused

extensive damages to lives and

one million rendered homeless,

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

Reuter 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 mud-

slides tumbled down the sides of

volcanoes in Nicaragua even a

week after the century's deadli-

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 re-

cently opened airfield in La

poor that unfortunately we had

to abort the mission", said the

pilot Capt. Jason Wiener. Gen.

Charles Wilhelm who is now in charge of U.S. military opera-

tions for disaster in Latin

America is learnt to have ordered more helicopters, heavy

equipment, medical staff and

construction teams for the re-

lief 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 tem-

porary lay off of up to 18,000

banana company workers in

Honduras. In Nicaragua official

estimate put 3,800 dead includ-

ing 1,267 missing, plus hun-

dreds 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

Jimmy Carter who visited the

devastated hurricane site im-

mediately 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

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 hu-

mans have made the devasta-

tion even worse. "Clear cutting

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 nat-

ural disaster but it was wors-

ened by the action of man's de-

forestation", said Dr. Carlos

Medina, a physician and biolo-

gist who served as the country's

environmental minister from

1992 to 1996. Environmental-

ists fear that the desperate need

to provide jobs and housing for

hundreds of displaced people

may prompt Central Americans

T was expected that Finance

L tionary 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 left 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 fea-

(1) The tax deduction shall

determine the income relating

to the assessee, a tax deter-

minable, and final and com-

plete discharge of tax liability

or any allowance shall be al-

lowed from the aforesaid in-

come; no refund nor any

amount shall be set off from

tax credit for payment of tax

under this section while ex-

plaining the nature and source

(3) The assessee will not get

any other source of income.

(2) Nothing will be deductible

tures of this provision are:

under this ordinance.

Act 1998 would bring revolu-

Reports circulated through

Nicaraguans 26 years ago.

Former U.S. President

"The visibility was so

In one report televised by

est Central American storm.

CLIMATE CHANGE

Message in a Bottle

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.

Katy Salmon writes from London

HURRICANE MITCH

An Aftermath of Deforestation and Global Warming

by Md. Asadullah Khan

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. property in affected areas. The death toll from flooding and to chop down more of their rain forests and build on premudslide rose to 11,000 with carious hillsides and river according to latest estimate.

Mitch which left billions of dollars of destruction, at one point was a "category 5" hurri-cane, the fiercest known. Medina and others agree that even if forests had been intact. Honduras and neighbouring countries would not have been pro-tected from surging rivers. Vol-unteers 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 Californiabased 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

into rivers. "Some of the mud-

slides 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 pre-serve forests. Bruce Cabarle, di-

rector of Global Forest pro-

grammes for the World Wildlife

Fund called settlements as" dis-

asters waiting to happen". In a

report prepared before Mitch,

the Central American Com-

mission on Environmental and

Development suggested that de-

forestation was imperiling

"Certainly if you cut down

prosperity.



Honduras

forests on hill sides you increase the vulnerability to sliding - that's been demonstrated all over the world", said Edward A. Parson, an associate profes-sor who specialises on Interna-tional 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 ru-

inous 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 lan 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 areas. "We need to protect our flood plains, our wet lands that act in nature as sponges and not fill them in for redevelopment or development", Witt said. The truth is we can prevent our people from becoming disaster victims and protect our environment at the same time.

Shockingly, in many developing countries including Hon-duras, those who speak out against clear-cutting risk their lives. Just a few weeks ago, in the small town of Catucomas, a self-taught environmentalist. Carlos Luna was gunned down in front of his family. Luna had decried logging in what is supposed to be a pristine ecological "buffer zone" in the mountains outside the capital. It has been learnt that private companies having ties with former Honduran army officers are behind duran army officers are behind the logging. The situation was desperately bad along parts of Carribbean coast. Continuing rain and fog there hampered re-lief efforts till November 3, but British and Nicaraguan military helicopter crews managed to reach one flooded community in Nicaragua and fly 1400 residents to safe areas. Experts said widespread deforestation in Central America had contributed to the devastation triggered by Mitch. With an average of 48 hectares of forest wiped out every hour in the region, experts say many mountain sides no longer have trees to hold back landslides or stop the rain from sweeping away topsoil and

dumping it into rivers.

Peoples' suffering and hardship in the wake of the devastating hurricane that swept over Honduras, Nicaragua, El Salvador and Guatemala have reached extreme point. Hoping to sell their finds, scavengers have been digging up everything from lumber to food and medicine from the mounds of mud and debris in Tegucigalpa (Honduras). Scores of people dug with their bare hands for plastic bags of lard buried under one such mound, about 20 feet high, after the flood waters swept away a nearby lard factory. Report circulated by Miami Herald published on November 11. indicated that a girl of about 12 salvaged a bag of mud-smeared bottles of medicines from the sidewalk in front of a collapsed pharmacy. "The bottles were sealed," she said, "so I'll wash them and they will look like new". An ant-like army of scavengers used shovels, towels and sharp sticks to dig through a five feet deep mud field about the size of two football fields. just downstream from where a food warehouse once stood. In most cases scavengers are not choosy. Melvin Martinez, a 32year old truck driver has been collecting thick telephone cables and burning off their rubber cover on a bon-fire so he can sell the remaining copper for five lempiras per pound, about 38 cents. "I want to buy him an ice-cream", Martinez said, pointing to his 6-year old son,

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. In Europe, reinsuresrs Swiss Re and Munich Re have lobbied governments to regulate greenhouse gases, and Swiss Re suggested that global warming might force people to abandon major cities. "This hazard has to be contained," says a Swiss Re statement. "We have to rethink, correct our mistakes and win time."

for two years and for invest-

ment in equity of a company

which is incorporated for set-

ting up a new industrial under-

gain and its computation in-

cluding the estimate of fair

market value of consideration

of capital assets should be

deleted in order to make afore-

said new provision effective.

per second schedule is to be re-

vised in accordance with the

(d) Provisions mentioned in

Rate of tax on capital gain as

Provision regarding capital

taking.

new provision.

under this section.



lost to climate change

NSIDE 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

The Qing Dao jars form part of "The Kyoto Gamble", an exhibition by British artist Christina Kopernik-Steckel. She uses installation and photography to depict the all-tooreal 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 real-

Buenos Aires was the followup 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 car-

bon dioxide in the atmosphere. Recognising the need for coordinated 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 pro-

tocol unless the emissions cuts

are forced on the developing "If the US does not ratify it, the whole protocol will fall, says Anna Stanford, of Friends of the Earth.

Yet many scientists feel Kyoto and Buenos Aires are too little, too late. Rising global temperatures - 1998 is already the hottest year since records began 140 years ago - are likely to lead to rises in sea levels and more extreme weather conditions. Over the last 30 years, the number or extreme weather

events has already trebled. Scientists predict parts of the Amazon in northern Brazil will become desert and small islands like the Maldives will disappear altogether in the next

"We have to accept the fact that we are already committed to some kind of climate change," says Martin Parry, of the Jackson Environment Institute at University College, London. "Our opportunities to stop it have gone. We will see climate change within our children's lifetimes.'

If dangerous climate change is to be avoided, global carbon dioxide emissions need to be reduced by 60 per cent from 1990 levels by mid next century, according to Friends of the Earth, far in excess of Kyoto's modest

reduction of 5.2 per cent. Nigel Amell, one of the UK Government's senior advisory scientists, says: "Kyoto, by itself, doesn't do a great deal to reduce the possible impacts of climate change. It'll have relatively little effect within the next 40 to 50 years, though it might help in the long term. Climate change is inevitable unless we get a stronger international agreement capable of

reducing change still more." Arnell is critical of the narrowness of vision at the Buenos Aires conference. "The discussions at the political level all focus of mitigation, on cutting down the rate of change. That might buy us time but we cannot solve the greenhouse problem with the Khoto Protocol. We need to think seriously about adaptation and about finding coping mechanisms."

However, all is not doom and gloom. "There is a lot that we can do on a practical level to reduce people's vulnerability to extreme climates," he says. "Trivial things, like flood protection schemes, cutting down on the demand for water and making irrigation more efficient, could save millions of

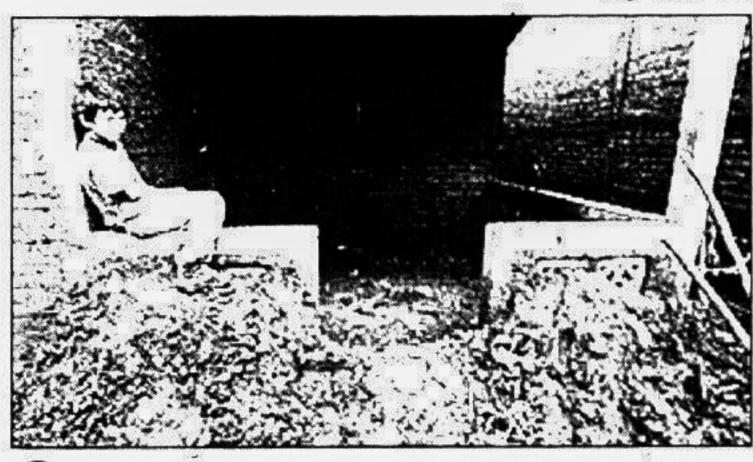
Robert Nicholls of the Flood Hazard Centre at Middlesex University says part of the reason that people are killed in floods is because they don't have strategies for evacuation. When there are storms in the US, the number of deaths is very small. People are mobile and there are good roads so they

can get out of the way," he says. Even in poorer countries like Bangladesh, the death toll is falling because they are building more elevated shelters. "Now there's somewhere nearby that people can 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.

Unprecedented Natural Disaster in Central America

by ASM Nurunnabi



N October 30 last, two countries in Central America, viz Honduras and Nicaragua were hit by a gruesome hurricane of mammoth proportions Mitch's. The most devastating damage was done on the slopes of the Casitas volcano of Nicaragua. Torrential rain caused a side of the volcano to collapse, triggering a huge mudslide. The avalanche of mud and water devoured El Porvenir and several small

villages. Miles downhill, about

1500 feet wide, the flow of mud

overcame two additional

villages and the highway. After one of the worst natural disasters in Central American history, the living aren't much better off than the dead. The full devastation wrought by the drenching rains of Hurricane Mitch only began to reveal itself the week before last. Officials estimated that Mitch had left more than 10,000 people dead across

Central America, with 13,000 missing (and presumed dead) and a staggering 2.8 million homeless. The storm hit hardest in Honduras and Nicaragua, the two poorest countries in the hemisphere after Haiti.

The week before last, as the bodies were buried or burned, the focus turned towards the living. The massive flooding and mudslides wiped out so many bridges and roads and forms that vast areas have been cut off from supplies of food, water and medicine. International relief efforts intensified, especially from the US, but the region still faces a serious threat of starvation. illness and, perhaps, political

Central America has suffered catastrophes before. A 1975 earthquake in Guatemala killed 23,000 people, and a 1972 earthquake in Managua killed more than 10,000. But Mitch carved a much broader path of

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 reddishbrown 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 houses. 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 vears — 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

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 Ordi-

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 per-

(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

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 deduc-

tion 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 transferers' 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

82C (5) and (6) are very badly defined 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

> 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 corre-

spondence i.e. section 83 of ordinance is now replaced by this Finance Act.

The writer is an Advocate





