

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 15th November, 2001

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Eng. Muriuki: Mr. Deputy Speaker, Sir, on behalf of the Chairman, I wish to table the following Report.

Mr. Deputy Speaker: Chairman of what?

Eng. Muriuki: Mr. Deputy Speaker, Sir, on behalf of the Chairman of the Departmental Committee on Energy, Communications and Public Works.

Report of the Departmental Committee on Energy, Communications and Public Works on the Tour of the Port of Dubai, Port of Singapore and the Transport and Communications Systems of Australia.

(By Eng. Muriuki on behalf of the Committee Chairman)

The Report of the Inter-Parliamentary Union and the International Committee of the Red Cross on Respect for International Humanitarian Law.

(By Mrs. Mugo)

NOTICES OF MOTIONS

ADOPTION OF DEPARTMENTAL COMMITTEE REPORT ON DUBAI AND SINGAPORE PORTS

Eng. Muriuki: Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:-
THAT, this House adopts the Report of the Departmental Committee on Energy, Communications and Public Works on the tour of the Port of Dubai, Port of Singapore and the Transport and Communication Systems of Australia.

NOTING OF IPU REPORT ON RESPECT OF HUMANITARIAN LAW

Mrs. Mugo: Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion to the Attorney-General:-

THAT, this House notes the Report of the Inter-Parliamentary Union and the International Committee of the Red Cross on respect of International Humanitarian Law laid on the Table of this House on Thursday, 15th November, 2001.

ORAL ANSWERS TO QUESTIONS

Question No.658

GOVERNMENT REVENUE COLLECTED
BETWEEN 1996-2000

Mr. Maitha asked the Minister for Finance:-

- (a) whether he could give a breakdown of the actual revenue collected by the Government, including interest accrued thereon, tax and penalties during the years 1996-2000;
- (b) whether he could give a breakdown of arrears owed to various individuals, corporate bodies and partnerships during the years 1999-2000; and,
- (c) whether he could consider waiving of penalties and interest on all taxes under the Income Tax Act, on condition that the monies owed in lieu of taxes shall be paid within four months from the date of the waiver.

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The breakdown of the actual revenue collected by the Government of Kenya, including [The Minister for Finance]

interests accrued and penalties, during the years 1996-2000 is provided in the answer given to the hon. Member.

(b) Arrears owed by individuals, corporate bodies and partnerships during the years 1999-2000 are also provided in the same answer given to the hon. Member.

Mr. Deputy Speaker: Mr. Minister, I do not know whether the other Members have got the answer!

The Minister for Finance (Mr. Okemo): Well, I can spend all the time and read! There is no problem!

Mr. Deputy Speaker: Order! You answer to the House and not to the Member! The other Members would like to hear the answer.

The Minister for Finance (Mr. Okemo): Maybe, I will help by laying the figures on the Table.

Mr. Deputy Speaker: You will do that, but to enable Members who have not received copies of your reply to also raise supplementary questions, I think it would be better if they also heard you read your reply.

The Minister for Finance (Mr. Okemo): Okay, I will run through them very quickly.

- (a) The breakdown of the actual revenue collected by the Government of Kenya, including interest accrued on tax and penalties during the years 1996-2000, is as follows:-
- (b) KSHS - In Billions

	1995/96	1996/97	1997/98	1998/99	99/2000
Custom & Excise	58.444	68.900	78.274	87.422	90.630
VAT Domestic	14.750	14.845	19.250	21.075	22.404
Income Tax	48.259	48.470	56.173	55.682	55.556
Road Transport	613	900	987	987	1.073
Other Revenue	11.804	12.601	11.530	7.025	11.320
Total	133.870	145.716	165.213	172.191	178.983

(b) Arrears owed by individuals, corporate bodies and partnerships during the years 1999-2000 were as follows:-

Income Tax	-	Kshs.40,228,076,967
VAT	-	Kshs.14,624,707,194
Customs and Excise	-	<u>Kshs.19,348,848,854</u>
Total	-	<u>Kshs.74,201,633,015</u>

(c) Under the current law, waiver of interest and penalty is considered on individual basis on application by the taxpayer, and each case is judged on its merit. But there must be a reasonable cause for

such a waiver as provided for in the same law.

Mr. Maitha: Mr. Deputy Speaker, Sir, the reason why I brought this Question to Parliament is that I come from an area where I own tourist hotels. Fifty tourist hotels have now been placed under receivership because they are unable to pay taxes. The Commissioner of Taxes gives a penalty of 40 per cent and on top of that there is an interest of 25 per cent. In fact, it is more than the Donde Bill which he has been complaining about here. In part "b" of the Minister's answer, the arrears which he has given show exactly that people who have been given the penalties and interest have refused to pay the Government. That is why a lot of property is being attached. One case is that of Mr. Matiba where the Minister had to waive a moratorium of 50 per cent of Kshs1 billion so that he is now paying half that amount. In part "c" of the Question, I have asked him why can he not consider that---

Mr. Deputy Speaker: Order! You have already asked him that question under part "c" of the Question and he has already given you an answer. You should now ask your supplementary question.

Mr. Maitha: My question is: Could the Minister also tell the House the interest accrued from the arrears of Kshs74 billion at this moment?

Mr. Okemo: I do not have the figure for the interest portion of it, but I know that it is a substantial amount. It is actually more than half the amount. Each case is judged on its own merit and this is probably a collection of thousands of applications. I deal with each application on its own merit. I normally give any application that merits waiver. If it does not, I cannot give a blanket waiver because each case differs from the rest.

Mr. Keriri: Mr. Deputy Speaker, Sir, on part "b" of the answer, we have a whole Kshs74 billion owing by defaulters. The Minister has said that he gives consideration on individual basis. Could he consider giving an incentive because some people do not even know whether they will be considered or not. He should give an incentive to the effect that if you pay tax in four months, a waiver of interest is guaranteed. That is the intention of this Question. In this way, you will collect at least Kshs30 billion or more from taxpayers. He should give an incentive so that taxpayers can come forward quickly in four months. It is important that---

Mr. Deputy Speaker: Order! Do not make a speech.

Mr. Okemo: Mr. Deputy Speaker, Sir, I think there is a very big danger in doing that, because this will send the wrong signals. Those taxpayers that actually pay on time and promptly, in accordance with the law, will see this as a reward to tax defaulters who are unable to pay tax. That is why we judge each case on its own merit. We cannot give a blanket waiver.

Mr. Shitanda: Mr. Deputy Speaker, Sir, considering that the Minister said that he cannot extend an amnesty to these tax defaulters, what mechanism is he using to make sure that this Kshs74 billion is paid to the Exchequer?

Mr. Okemo: Mr. Deputy Speaker, Sir, the KRA has got a special division that deals with these kinds of cases. If the taxpayers do not actually come forward to give a proposal on how they will settle the case, then they deal with the matter by enforcing the law, to demand that they pay, failing which the matter is then taken to court.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Minister says that if a defaulter fails to pay tax he will be taken to court. We all know that our courts usually take eight years to resolve simple cases. Could the Minister assure this House that if he takes cases to court, they will be resolved within one to three years so that they can collect these funds quickly?

Mr. Okemo: Mr. Deputy Speaker, Sir, I would recommend that any taxpayer who is in arrears that have accumulated principal tax plus penalties should send a written proposal to the Minister for Finance and we will consider that case and resolve it very quickly. We do look at deserving cases quite sympathetically.

Mr. Michuki: Mr. Deputy Speaker, Sir, the inherent demand in this Question is very important for tax purposes and for financing public service. Is the Minister not really misleading the House by arguing that those who have paid will feel bad if others are given four months within which to pay when, in fact, in the last three years, he has been in the process of reducing the rate of tax on companies? Whereas there are companies which paid at the rate of 35 per cent three years ago, others are now paying at 32 per cent. This is no reason for him to hide behind, knowing as we do---

Mr. Deputy Speaker: Order! You should not argue. Ask your question!

Mr. Michuki: Mr. Deputy Speaker, Sir, could the Minister implement what he has undertaken to do in the Finance Bill, namely, that taxes will be paid for only that portion which is not in dispute and forget about the rest? After all, he is using the provisional collection order.

Mr. Okemo: Mr. Deputy Speaker, Sir, I am lost. He gave a speech and, in the process, I stopped listening. He can ask the question quickly again.

Mr. Michuki: Mr. Deputy Speaker, Sir, could the Minister use the proposal that is contained in the Finance Bill and for which he has the provisional collection order that he just collects the tax which is not in dispute so that those who dispute interest can be left alone?

Mr. Okemo: Mr. Deputy Speaker, Sir, I do not think that is really the solution to the problem. I think the problem lies in those who know they are supposed to pay taxes, but are unable to do so. As a result of being unable to pay, interest and penalties have accumulated. I would like to believe that is what Mr. Maitha is referring to. I am not talking about those people who have been wrongfully assessed and they are disputing the amount because there are different provisions in the law which cater for that category of taxpayers. They pay taxes and are able to go back to the KRA and discuss what is in dispute. If they do not agree, they go to the tribunal. If they do not agree at the tribunal, they go to court. I think I answered the other question where I said that we encourage all those taxpayers who have got problems with penalties and interests to come and make their personal proposals, which will be considered.

Mr. Maitha: Mr. Deputy Speaker, Sir, the other day the City Council set a very good example, which the Minister for Finance can even follow. They gave them a period through which they will not pay interest if they come forward. The taxpayers came forward and City Hall collected a lot of money. What is so difficult for the Minister to give people an incentive so as to save the hotels which will be auctioned very soon? Why are you saying that somebody has got to come with an application to you, and yet you can come up with an incentive whereby you can give the taxpayers four months to pay the tax, and you will not charge them interest? What is so difficult in doing this?

Mr. Okemo: Mr. Deputy Speaker, Sir, there is nothing difficult in doing that since I am following the law as stated today, which this House can change if it so wishes.

Mr. Deputy Speaker: Next Question, Ms. Karua!

Question No.630

REFUSAL OF STUDY LEAVE FOR MR. KAMANGU

Ms. Karua asked the Minister for Education:-

(a) if he could explain, why Mr. Gachuru Kamangu, TSC No.229278, has been denied study leave inspite of an appeal on his behalf by the Ministry of Labour and Human Resource Development and TSC Circular No.2/99. Ref.TSC/ADM/192/A/VOL.VI TPY/2; and,

(b) what steps he will take to ensure that Mr. Kamangu is accorded fair treatment and given paid study leave.

The Assistant Minister for Education, Science and Technology (Mr. Awori): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Mr. Gachuru Kamangu has not been denied study leave to go to study further. Mr. Gachuru was given unpaid leave to go and study.

(b) The treatment that he was given under the circumstances was quite fair.

Ms. Karua: Mr. Deputy Speaker, Sir, the Assistant Minister knows very well that the TSC circular referred to in the Question allows people in Mr. Gachuru's category to get paid leave. Furthermore, he is studying a course that has been identified by the Ministry of Labour and Human Resource Development as a specialisation that is required. Why is he being denied his pay during his study leave?

Mr. Awori: Mr. Deputy Speaker, Sir, this gentleman is studying Information Technology (IT). While I accept that IT is in great demand, to date, it is not among those that allow a person to be given salary while he is studying it.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, I am very surprised to hear an Assistant Minister of a Government that claims to support the "dot.coms" acknowledge that the Government does not give any priority to those who study IT. Could the Assistant Minister tell us or assure this House that, upon leaving this House, he is going to ensure that IT is also considered for those who are going on study leave? This is because if you are not giving priority to IT, what are you supporting, because this is the "in thing", unless it is because you are not a "dot.com?"

(Laughter)

Mr. Awori: Yes, indeed, Mr. Deputy Speaker, Sir. At 73 years old, I am not a "dot.com" and I accept that.

(Laughter)

Nevertheless, at this late age, I still have my laptop and I am able to follow the internet without any problem.

Mr. Deputy Speaker, Sir, I do accept what Dr. Ochuodho said. It took me a back when I was investigating this answer, that IT is not considered for going to study with salary. In fact, if someone goes to study office practice, he or she will be given paid study leave.

Ms. Karua: Mr. Deputy Speaker, Sir, could the Assistant Minister lay on the Table the circular or document which specifies the courses that can allow applicants to be granted study leave with **[Ms. Karua]** pay? I am saying this because I am aware that the Ministry of Labour and Human Resource Development, which pays Mr. Kamangu's salary, continues to forward his salary to TSC which, in turn, is unfairly retaining his salary.

Mr. Awori: Mr. Deputy Speaker, Sir, I have not got that information. If the hon. Member can, indeed, give the information that the Ministry of Labour and Human Resource Development who are the employers of this teacher, is sending his salary to the TSC, then I will certainly take action.

Mr. Deputy Speaker: Order, Mr. Awori! That is not a job you should impose on a Member. If salaries need to be transferred from one Government Ministry to another, it is sufficient for you to find from the TSC, which is under your jurisdiction, and advise the House.

Mr. Awori: Mr. Deputy Speaker, Sir, I accept your ruling. As I have not got that information, I will, indeed, ask the Ministry of Labour and Human Resource Development to substantiate the information the hon. Member has given.

As to answering the other question, the following are the disciplines that allow a teacher to go on paid study leave: Mathematics; Physics; Chemistry; Biology; Agriculture; Special Education; Accounting; English; German; French; Fine Art; Music; Secretarial Studies and Office Practice.

Mr. Deputy Speaker: Mr. Awori, make a copy available.

Ms. Karua: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: No! Just ask your question!

Ms. Karua: Mr. Deputy Speaker, Sir, it is a point of order and not a question!

Mr. Deputy Speaker: Ms. Karua, I am going to insist that you name the Standing Order you are relying on.

Ms. Karua: Okay, then, I will ask a question. Since the Assistant Minister has said that he will go and investigate, could he then tell us what date he will come back to this House with the answer? Secondly, could he also table that document from which he is reading since it is an unidentified list? Is it a circular or what is it?

Mr. Awori: Mr. Deputy Speaker, Sir, I undertake to answer that Question on Tuesday. In fact, tomorrow, I will be at the TSC and the Ministry of Labour and Human Resources Development, and I will be in a position to give the correct answer.

(Mr. Awori laid the document on the Table)

Mr. Deputy Speaker: Next Question, Mr. Omamba!

Question No.654

TELEPHONE BREAKDOWN BETWEEN
RAPOGI AND AWENDO

Mr. Omamba asked the Minister for Transport and Communications:-

- (a) whether he is aware that for the last four months, telephone services have broken down between Rapogi Constituency and Awendo Town; and,
- (b) when these services will resume.

The Assistant Minister for Transport and Communications (Mr. Keah): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware of the breakdown of telephone services between Rapogi and Awendo markets in Uriri Constituency for the period March to July, 2001. This was due to cables having been vandalised and broken down by tractors of the cane cutters.

(b) The telephone services resumed with effect from the 16th July, 2001, when new telephone cables were installed. I can confirm that the telephones are today operational.

Mr. Omamba: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for that good work of making

sure the telephone services have resumed in my constituency. Four months is quite a long duration. There have been a lot of damages and losses. Could the Assistant Minister now assure the House that he will not be so negligent in future not to repair broken phones between Awendo and Rapogi, and Kenya as a whole?

Mr. Keah: Mr. Deputy Speaker, Sir, whenever there is a breakdown in the provision of telephone services, Telkom Kenya do their outmost, and how soon the services are restored depends on the gravity of the damage. In this particular case, the damage was really grievous from points of distribution numbers 19, 20 and 21 and, therefore, it took that long. However, I want to assure the hon. Member and this House that we shall, indeed, do everything possible to restore services as soon as it is practicable.

Mr. Deputy Speaker: Next Question, Mr. Kitur!

Question No.696

RURAL ELECTRIFICATION PROGRAMME FOR KONOIN

Mr. Kitur asked the Minister for Energy when he will undertake the Rural Electrification Programme in various markets and schools in Kimulot and Mogogosiek Divisions in Konoin Constituency.

The Minister for Energy (Mr. Raila): Mr. Deputy Speaker, Sir, this Question was first directed to the Office of the President and it only arrived on my desk the day before yesterday. So, I have agreed with the Member that we defer it to next week, on Thursday.

Mr. Deputy Speaker: Mr. Kitur, are you okay?

Mr. Kitur: Mr. Deputy Speaker, Sir, I have no objections.

Mr. Deputy Speaker: The Question is deferred to Thursday next week.

(Question deferred)

Next Question, Mr. Wanjala!

Question No.690

COMPLETION OF FUNYULA FISH PONDS

Mr. Wanjala asked the Minister for Agriculture:-

(a) whether he is aware that the construction of Funyula Fish Ponds that was being done by Lake Victoria Basin Development Authority has stalled; and,

(b) what urgent measures he is taking to ensure that the project is completed within this financial year.

The Assistant Minister for Agriculture and Rural Development (Col. Kiluta): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware. However, I am aware that the Fisheries Department in my Ministry has a fish farm project in Funyula which is ongoing.

(b) During the current financial year, the Government has allocated Kshs400,000 which is expected to complete the remaining work of fencing, construction of new stalls, purchase of more farm equipment, fish feeds and stocking of all eight fish ponds. The project will be fully operational by the end of the current financial year.

Mr. Wanjala: Mr. Deputy Speaker, Sir, I am surprised to hear from the Assistant Minister that he is not aware there is a very big project of fish ponds being built in Funyula. The name "Lake Basin Development Authority Fish Ponds-Funyula" is written in bold on the signboard. I am surprised to hear from the Assistant Minister that he is not aware of it. Could he tell us what that project is for, and whom it belongs to, if it does not belong to the Lake Basin Development Authority?

Col. Kiluta: Mr. Deputy Speaker, Sir, the project at Funyula belongs to the Fisheries Department of my Ministry, but not the Lake Basin Development Authority.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, it is unfortunate that the Ministry long forgot about the Lake Basin Development Authority, including its headquarters which has been abandoned. But could this Assistant Minister tell the House, in the current financial year, how much money has been put aside to assist the Lake Basin Development Authority, which was such a noble idea? How much money have you put aside during this financial year?

Col. Kiluta: Mr. Deputy Speaker, Sir, this financial year, we have set aside Kshs400,000, which is

expected to complete the remaining work, and if that is not enough, we will look for some more money to complete the work. But that will be done this year.

Mr. Deputy Speaker: Order, Col. Kiluta! How much money has been set aside for the Lake Basin Development Authority and not for the fisheries project?

Col. Kiluta: Mr. Deputy Speaker, Sir, I said that the Lake Basin Development Authority is not involved in this project. So, there is no money set aside for the Lake Basin Development Authority.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, I think the Chair has also an interest in the issue---

Mr. Deputy Speaker: Order, Dr. Ochuodho! If you are standing on a point of order, I will ask you to tell me which Standing Order you are relying on. So, ask your question.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, is the Assistant Minister in order not to answer the question? How much money have they put aside to assist the Lake Basin Development Authority for this financial year?

Col. Kiluta: Mr. Deputy Speaker, Sir, if you listen, I will be slow and I will make sure that you understand. There is no money set aside for the Lake Basin Development Authority, but there is money set aside for the Fisheries Department to complete this project.

Dr. Omamo: Mr. Deputy Speaker, Sir, one problem with these fish ponds is the provision of water at the right time and finding the fingerlings. There is now technology available where the fish ponds, instead of being further in the hinterland, are created along the lake shore itself. For example, in Funyula and parts of Siaya and Bondo, where there is a lot of swampy land along the lake shore, these fish ponds could be established along these swamps. You can think of the Yala Swamp in that area and Lake Tari in Bondo. Could the Ministry agree to exploit this particular technology so that we have fish ponds along the lake shore itself?

Col. Kiluta: Mr. Deputy Speaker, Sir, that is a very brilliant idea, and it will be considered in future.

Mr. Wanjala: Mr. Deputy Speaker, Sir, the Assistant Minister surely has not answered this Question. He is talking about Wakhungu Fish Ponds, but I am talking about Funyula Fish Ponds. If Funyula Fish Ponds do not belong to the Ministry of Agriculture and Rural Development or the Lake Basin Development Authority, could he tell this House to whom they belong? How much money was spent if they belong to the Ministry?

Col. Kiluta: Mr. Deputy Speaker, Sir, I will repeat myself. I said that those fish ponds belong to the Fisheries Department. We spent some money last year on the fish ponds and we have got money set aside this year for the same.

Mr. Wanjala: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. Wanjala, you know what to do!

Mr. Wanjala: Mr. Deputy Speaker, Sir, the Assistant Minister is not---

Mr. Deputy Speaker: Which Standing Order has he violated?

Mr. Wanjala: Mr. Deputy Speaker, Sir, Standing Order No.88(2)!

(Laughter)

Mr. Deputy Speaker: Order! That is a very good trial! But it applies to Ministers or Assistant Ministers refusing to answer Questions. Whether the Assistant Minister has answered the Question satisfactorily is a different matter. At least, he has spent the last five minutes answering your Question.

Next Question!

Question No.626

UTILISATION OF FUEL LEVY FUND

Mr. Angwenyi asked the Minister for Roads and Public Works:-

- (a) how much the Government has collected from the Fuel Levy Fund per year since 1997;
- (b) how much has been used in each district in Nyanza Province to repair roads in each of the four years; and,
- (c) which roads are scheduled to benefit in each of the three-year MTEF cycle 2001/2002 to 2003/2004.

The Assistant Minister for Roads and Public Works (Eng. Rotich): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The Government has collected a total of Kshs25,837,864,477 from fuel levy in the last four years. The breakdown is as follows: 1997-1998, Kshs3,082,383,145; 1998/1999, Kshs6,399,520,659; 1999/2000,

Kshs7,844,260,481; and, 2000/2001, Kshs8,511,760,292. More than Kshs25 billion was raised.

(b) A total of Kshs490,367,692 has been used in Nyanza Province to repair roads during 1997/1998 and 2000/2001 financial years. The breakdown is long and I do not know whether I can read it out for each district.

Mr. Deputy Speaker: For how many districts?

The Assistant Minister for Roads and Public Works (Eng. Rotich): Mr. Deputy Speaker, Sir, I am talking about all the districts which are in Nyanza, which are almost ten or 12. Can I read them out?

Mr. Deputy Speaker: You should lay it on the Table!

Eng. Rotich: Mr. Deputy Speaker, Sir, regarding part (c) of the Question, the following roads in Nyanza Province have benefitted during the same period, which is also a long list which has been laid on the Table. There is also a list of roads which have benefitted during the same period. They are the roads which have been programmed under the three rolling periods.

I hereby lay the lists on the Table.

(Eng. Rotich laid the lists on the Table)

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Assistant Minister has clearly stated that the country collected almost Kshs26 billion. Nyanza Province got only 0.5 per cent, while Kisii District got only 0.03 per cent of this amount, and yet the province constitutes 20 per cent of this country's population. Why do we have this anomaly? Why has the Assistant Minister allocated so little of this money to Nyanza Province when it constitutes 20 per cent of the country's population?

Eng. Rotich: Mr. Deputy Speaker, Sir, the allocation is based on roads and not on provinces. It happens that the roads that were allocated this sum are in Nyanza Province. So, we consider the roads, their length and conditions.

Dr. Kulundu: Mr. Deputy Speaker, Sir, could the Assistant Minister confirm or deny that, in the last four years, nearly 90 per cent of the Fuel Levy Fund (FLF) money has been spent on roads found to the west of Nairobi and east of Kericho?

Eng. Rotich: Mr. Deputy Speaker, Sir, I do not believe that, that is true, unless I worked out the percentages to verify it.

Mr. Obwocha: Mr. Deputy Speaker, Sir, I would like the Assistant Minister to confirm whether the famous Chemosit-Kisii Road, C21, will receive its funding from the FLF this year. In the current Budget, this road has been allocated Kshs200 million. In fact, the Minister had said that work on the road would start in October. We are now in mid-November, but nothing has happened. Could he confirm that the money for this road will come from the FLF, and when work on it will start?

Eng. Rotich: Mr. Deputy Speaker, Sir, I confirm that the said road will be funded to the tune of Kshs200 million in the current financial year. The contract has been awarded to M/s Putt Sarajevo. Work will start before the end of the current calendar year.

Mr. Ngure: Mr. Deputy Speaker, Sir, the Minister has stated that the FLF money is being used to improve the country's road network. Could he tell the House why there is an anomaly in the road network in Nyanza Province?

Eng. Rotich: Mr. Deputy Speaker, Sir, I request that the hon. Member repeats his question. I did not quite get it.

Mr. Ngure: Mr. Deputy Speaker, Sir, I will repeat myself for the benefit of the Assistant Minister. If the FLF money is to be used for the development of roads countrywide, why is there an anomaly in the road network in Nyanza Province?

Eng. Rotich: Mr. Deputy Speaker, Sir, I do not believe that there is an anomaly. I believe that there is a problem with the condition of roads, generally. The roads are not as good as we would have wished. The bad road conditions there are not peculiar to that province. Generally, roads countrywide are not as good as we would have wished.

Mr. Nyachae: Mr. Deputy Speaker, Sir, it appears that the Assistant Minister is ignorant of the situation in Nyanza Province. He says that there is no anomaly in the road network in that area. Is he aware that there is no road in the whole of Suba District? Does he know that all roads in Suba District are impassable?

Eng. Rotich: Mr. Deputy Speaker, Sir, I am aware that there are roads in Suba District, but none of them is tarmacked. Roads in that district may not be passable, but they do exist.

Hon. Members: Aah! That is not an answer!

Mr. Deputy Speaker: Order! Order! Mr. Assistant Minister, if a road is impassable, how can it be a

road?

Eng. Rotich: Mr. Deputy Speaker, Sir, during certain times, those roads become impassable. I have worked in Nyanza Province, and know that there are roads there; I have worked on them. However, there is no tarmac road in Suba District. There was a tarmac road in the former South Nyanza District. However, as of now, Suba District, which was curved out of the former South Nyanza District, does not have a tarmac road.

Mr. Deputy Speaker: The last question, Mr. Angwenyi.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Assistant Minister had stated that the amount of money allocated to Nyanza Province is very little because the province does not have roads. He has now contradicted himself by saying that there are roads in Nyanza Province. I do not know which of the two is the correct position. But be that as it may, I wish we had more time to deal with the Assistant Minister's answer. Out of Kshs849 million spent on projects in Nyanza Province, only Kshs53 million was spent in the three Abagusii districts of Gucha, Nyamira and Kisii. Why has there been such an anomaly?

Eng. Rotich: Mr. Deputy Speaker, Sir, I am not sure whether that is an anomaly. Normally, we spend money as per requirements, depending on the roads condition in a particular area. I do not know whether in this particular case there was an anomaly.

Mr. Deputy Speaker: Very well; Mr. Kikuyu's Question!

Mr. Katuku: On a point of order, Mr. Deputy Speaker, Sir. Mr. Kikuyu is indisposed. He has directed me to request you to defer this Question. You know, he met the wrath of "Mr. Osama", and is not feeling well.

Mr. Deputy Speaker: Do you know when he is likely to be up and about?

Mr. Katuku: I expect him to be well by Wednesday, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Well, I will defer the Question to next Thursday. Mr. Assistant Minister for Local Government, I hope you have no problem with that.

The Assistant Minister for Local Government (Mr. Kiangoi): I have no problem, Mr. Deputy Speaker, Sir.

Question No.677

HARASSMENT OF HAWKERS IN
MACHAKOS MUNICIPALITY

(Question deferred)

Mr. Deputy Speaker: Let us proceed to Mr. Twaha's Question.

Mr. Kamolleh: On a point of order, Mr. Deputy Speaker, Sir. Mr. Twaha called and said that he would be late. He requested me to ask this Question on his behalf.

Mr. Deputy Speaker: He told you that he would be late because of what?

Mr. Kamolleh: Mr. Deputy Speaker, Sir, he got stuck somewhere on his way to Parliament. He missed his Nairobi-bound flight at Moi International Airport, Mombasa. So, he will not make it here on time.

Mr. Deputy Speaker: So, he got stuck somewhere in the atmosphere?

Mr. Kamolleh: Mr. Deputy Speaker, Sir, as you know, if you do not get your flight and are forced to take the next one, you will definitely be late.

Mr. Deputy Speaker: It is okay. I will allow you to ask the Question on his behalf.

Question No.484

PROTECTION OF WATER CATCHMENT ON SHELLA BEACH

Mr. Kamolleh, on behalf of **Mr. Twaha,** asked the Minister for Lands and Settlement what plans he has to protect the water catchment area on Shella Beach, Lamu Island, from falling into the wrong hands.

The Minister for Lands and Settlement (Mr. J. Nyagah): Mr. Deputy Speaker, Sir, I beg to reply.

The Ministry plans to protect the water catchment area on Shella Beach, Lamu Island, through the following measures. One, we have already prepared and approved a part-development plan showing the existing water catchment area, including the sand dunes. Two, a letter of allocation for that area will be issued to the Ministry of Environment and Natural Resources as a water catchment conservation area.

Mr. Kamolleh: Mr. Deputy Speaker, Sir, the Minister said that he has prepared a part-development plan, which he has approved in order to protect that area. Be that as it may, is he aware that the preparation and approval of the said part-development plan, by which he is now rushing to secure the said land, was done after Shella Beach had been allocated to some individuals? If so, could he ensure that Shella Beach is not allocated to any other person again?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I approved the part-development plan in May, 2001. So, I am not rushing because this Question has been brought here. The Question was filed with the Clerk of the National Assembly early this year. It is true that land in the neighbourhood of Shella Beach had been allocated to some people several years ago. But, because of the need to protect that area, my Ministry decided to prepare a part-development plan and secure the remaining land. However, it is not possible to cancel the allotment of land for which title deeds have already been issued.

Mr. Deputy Speaker: Mr. Minister, why is it not possible to cancel the allotment of the land if it was acquired in that manner? You can acquire it back compulsorily.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, we do not intend to acquire the plot compulsorily.

Mr. Deputy Speaker: I was not asking you whether you intend or not. I am asking you: Why not?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, the Compulsory Land Acquisition Act requires a specific area to be acquired for public benefit. In this case, the area whose part-development plan (PDP) we issued, given that it is at a corner and far away from the people, is the most important one. This area is applicable to public use. The portion that has been given out was not for meant public use.

Mr. Gitonga: Mr. Deputy Speaker, Sir, as the hon. Questioner has pointed out, the area should be protected for public interests. Why can the Minister not acquire this piece of land compulsorily in the interest of the public?

Mr. Deputy Speaker: I think he has answered that!

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I have just said that this particular piece of land at the corner, which was issued out several years ago, was not meant for public use. The area which I have protected is the one which is for public uses, such as fishing.

Mr. Ndwiga: Mr. Deputy Speaker, Sir, along the Coast, many plots have been allocated to private developers, thereby hindering easy access to historical monuments. An example is the Vasco Da Gama Pillar, in Malindi. To access the Vasco Da Gama Pillar in Malindi, you have got to walk through somebody's sitting room because that plot was allocated to an individual. You cannot access this pillar which is a historical monument. What will the Minister do to ensure that these monuments are accessible by Kenyans?

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, I will do this by obviously prohibiting any further allocation. But in the last four months, we have had a task force specifically looking at the Coast to address the very many complications that arose as a result of earlier land allocations. The task force, which should be concluding its work in the next few weeks because it has done a lot of work in the last four months, will address itself to how we can tackle some of these allocations.

It is true that a lot of allocations took place and that is why it became necessary for us to set up a special task force within the Ministry. The task force has been very busy, and some hon. Members from the Coast would confirm this.

Mr. Maitha: Mr. Deputy Speaker, Sir, would it be good for the Minister to promise this House that he will visit Lamu Town and see for himself the area he is talking about? There are three princes' houses already built near the water catchment areas. The Minister wants this House to believe that the area with a PDP is actually the area he is talking about. But if he goes to the site, he will find out that three princes from abroad have already built their residential houses there and the water catchment area is threatened.

The area the Minister has referred to is not the one he has been asked about. Could he visit this area and see for himself so that he can make a good judgement on this issue?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I will be very happy to visit Lamu Town. In fact, I have been there before. I visited Lamu Town and had a long discussion even on this particular issue. That is what led to the actions we have taken so far. But I would be very happy to visit Lamu Town to get an even better view than I have now.

Mr. Kamolleh: Mr. Deputy Speaker, Sir, the Minister actually confirmed that the area around Shella Beach, which is a sanctuary supposedly for growing prawns, had been allocated earlier, although he has said that it is an adjacent area that was allocated. Now that he has confirmed this, could he actually give us a list of those who were allocated the adjacent areas? This will enable us to know who was allocated land which was supposed to be an agricultural or fishing area and not a residential area. Could he table a list of those who were allocated that

area?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I do not have the names of the people who were allocated plots in this area. But the information I have is that the adjacent area was allocated several years ago. I do not have the names.

Mr. Deputy Speaker: Bring the list of these names next week. There is no desperation really. Will you bring it on Wednesday or Thursday next week?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I can bring it next week.

Mr. Deputy Speaker: When?

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, I can bring it even on Tuesday, next week.

Mr. Deputy Speaker: Bring it on Tuesday next week!

Question No.607

LAWYERS STRUCK OFF THE ROLL OF ADVOCATES

Mr. Kariuki asked the Attorney-General:-

(a) what the annual average number is of cases of errant advocates that have been reported to the Advocates Complaints Commission in the last five years; and,

(b) whether he could table a list of the advocates who are currently struck off the roll of advocates.

The Attorney-General (Mr. Wako): Mr. Deputy Speaker, Sir, I beg to reply.

(a) During the last five years ending 31st December, 2000, the number of complaints registered by the Advocates Complaints Commission were as follows:-

1996	-	924
1997	-	969
1998	-	1,228
1999	-	1,345
2000	-	1,374
Total		5,840

This works out to an average of 1,168 cases per year. In the year 2001, a total of 1,134 cases have been registered up to yesterday, 14th November, 2001. Today, as at 1.00 p.m., an additional 18 cases had been registered.

(b) I hereby table the list of the advocates who have been struck off the roll of advocates.

(Mr. Wako laid the list on the Table)

Mr. Deputy Speaker: You have discharged your responsibility.

Mr. Kariuki: Mr. Deputy Speaker, Sir, you have heard the seriousness of the problem we have had with advocates in this nation. The number of 1,300 cases registered per year is alarming. The frequency of these cases indicates the nature of the learned friends we have in this country.

Could the Attorney-General explain to this House what remedial action he is taking to ensure that the public of Kenya is not affected adversely by the behaviour of advocates? He should also assure Kenyans that there is a way of recovering whatever money Kenyans are losing. Other than just striking off advocates from the roll of advocates, what action will the Attorney-General take to ensure that Kenyans not only recover their money, but also have recourse against these advocates?

Mr. Wako: Mr. Deputy Speaker, Sir, the Attorney-General has already begun taking action. Firstly, we have already convened meetings in Nairobi and Mombasa, and next month we will be in Kisumu, on integrity in the profession in which the Law Society of Kenya (LSK), the faculties of law, advocates in the private sector and the Judiciary are involved, and are making suitable recommendations. Some of those recommendations, which were made pursuant to the meeting that was held in Nairobi, are already reflected in the Statute Law (Miscellaneous Amendments) Bill. This will give both the Advocates Complaints Commission and the Disciplinary Committee extra power to deal with these cases and decide, for example, whether the money must be paid back in addition to imposing penalties.

One recommendation that we are now working on is a resolution that was passed, that we must have an indemnity insurance cover for all the advocates, and the LSK must create a client compensation fund to protect

members of the public.

Mrs. Mugo: Mr. Deputy Speaker, Sir, these cases are very, very many and I do not think the answer the Attorney-General has tried to give us can really help the public. Just recently, I had written several letters for very poor people, especially women who have been defrauded of their money. Some of them are victims of accidents, but they have not been paid their claims for the last eight or ten years. Indeed, I sent some copies to the Attorney-General's office---

Mr. Deputy Speaker: Ask your question!

Mrs. Mugo: Could the Attorney-General tell this House exactly what steps he intends to take against those lawyers who have refused to pay their clients, yet evidence is there that they have been paid their claims? I have sent several letters to the Attorney-General's office on the issue!

Mr. Wako: Mr. Deputy Speaker, Sir, in addition to what I have already stated, as far as accident claims are concerned, I agree entirely that this has been a notorious area of fraud, covering not only advocates, but also doctors and policemen.

The Chair may be aware that we have already prosecuted people as a result of stealing clients' money. The Chair is already aware that, currently, things have changed because whereas all the money used to go to the advocates, the insurance companies are now issuing two cheques; one directly in favour of the client and another one in favour of the advocate in respect of his fees and so on. Those are the steps we have taken, coupled with the proposed insurance Bill that we intend to bring to this House to ensure that there will be no submission of faulty claims and so on. We believe that way, we shall completely reduce the number of frauds that go around accident claims.

Mr. Muchiri: Mr. Deputy Speaker, Sir, can the Attorney-General consider suspending the advocates who are involved in fraud or those whose clients have complained about their behaviour? This is because it would appear from the list he has tabled that the complaints are increasing day by day.

Mr. Wako: Mr. Deputy Speaker, Sir, on the issue of suspension, there are very many advocates who have been suspended. Suspension is not the same thing as striking out the names of advocates from the advocates' roll. There are many advocates who have been suspended for a period ranging from one year to three years. So, suspension is not the only issue. Part of the problem has been that the procedures for disciplining advocates have been cumbersome and long because they cause inordinate delays. That is one of the issues being addressed by Statute Law Miscellaneous (Amendments) Bill, to ensure that the procedure is faster and that we do not just have one panel which listens to the complaints against advocates, but at least four panels that will be hearing the complaints simultaneously.

Mr. Wamae: Mr. Deputy Speaker, Sir, this is a worrying matter. Could the Attorney-General let this House know how much indemnity each lawyer is supposed to keep against negligence or loss of clients' money?

Mr. Wako: Mr. Deputy Speaker, Sir, currently, there is no requirement for indemnity against negligence and that is why a resolution was passed at a recent meeting, saying that we must have a compulsory professional, indemnity insurance cover for all the professionals and that the Law of Society of Kenya should put in place clients' compensational fund. We are in the process of working out modalities of putting that in place.

Mr. Kariuki: Mr. Deputy Speaker, Sir, assuming that there are 6,000 lawyers or thereabouts, it means about 20 per cent of those lawyers are supposedly corrupt and their integrity is questionable. But more important, why is it that only 14 out of those 1,300 advocates have been struck off the roll of advocates. Is it that the Commission is inefficient and has no muscle, or is it the Attorney-General who is trying to cover all these advocates because he is one of them? Why is it that these advocates are not properly disciplined? Also, could it be possible that because two foreign legal firms - Kaplan and Stratton and Harrison and Matthews - monopolise about 75 per cent of the business, the other indigenous lawyers have no business to do and, therefore, they end up being fraudulent? Could the Attorney-General do something to save the indigenous lawyers so that they do not have ever to be fraudulent?

Mr. Deputy Speaker: Order! Order, Mr. Kariuki! You must control your mind. Do you want to give the Attorney-General instructions or do you want to ask him a question?

Mr. Kariuki: I am asking him a question, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: All right, ask your question!

Mr. Kariuki: Could the Chair direct the Attorney-General to ensure that indigenous lawyers in this country are protected to make sure that they survive rather than making them paupers and thieves?

Mr. Deputy Speaker: First, I will begin by directing you to ask a question, not to give instructions.

Mr. Wako: Mr. Deputy Speaker, Sir, the hon. Member has asked very many questions within one question. I do not know where to begin and where to end. But first of all, let me say that the legal profession

operates on the basis of the market situation. If indigenous lawyers provide excellent professional advice to their clients, I am quite sure they will attract a sufficient number of clients. I do not think that Kaplan and Stratton, Harrison and Mathews or any other firm for that matter, take 75 per cent of the cases. I think that used to be the case at the time of Independence. But at the beginning of the 1970s, when most of us joined those firms, the situation changed drastically. There are many indigenous firms in this country which are doing an excellent job. In fact, they are overworked because they are providing professional services.

Mr. Deputy Speaker, Sir, I agree that the figure of 14 advocates struck off the advocates register may appear to be a small number compared to the number of complaints received. But the disciplinary procedures that we have currently were put in place a long time ago when the presumption was that members of the legal profession were honourable. It was only once in a while, in a number of years, that one of them could violate the professional ethics and standards. At least, they could not even steal. That was the presumption. So, the procedures were slow, cumbersome and so on. Of course, that is not the case and that is why under the Statute Law Miscellaneous (Amendment) Bill, we are now proposing to expedite the process.

Currently, there are, at least, 400 cases pending before the Legal Disciplinary Committee. If we put a Bench of four panels to look into those cases, we should be able to expedite the hearings. Therefore, I hope, we will instil some discipline into the members of the legal profession.

QUESTIONS BY PRIVATE NOTICE

CONTRACT FOR PRINTING KENYA CURRENCY NOTES

Mr. Muturi: Mr. Deputy Speaker, Sir, before I ask my Question, I wish to point out that my Question was directed to the Minister for Finance. I believe the copy of the reply which I have and which, perhaps, the Chair has, shows an answer or something that purports to be an answer, signed and dated 13th November, 2001, Treasury.

I feel inclined not to accept this copy of the reply for an answer by the Minister for Finance because it does not look like it was signed by the Minister for Finance. This is a Question of great importance considering that it deals with the printing of money, bearing in mind that we are now in November, 2001, and we are headed to the year 2002.

Mr. Deputy Speaker, Sir, I beg to ask the Minister for Finance the following Question by Private Notice.

(a) How long is the latest contract between *De la Rue* and the Kenya Government for the printing of Kenyan currency notes?

(b) Who have been appointed the present printers?

(c) Why did the Government not invite open international bids for the award of the contract?

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I have many different signatures. So, the signature on the copy of the written answer is mine.

Mr. Muturi: Mr. Deputy Speaker, Sir, the copy of the written answer is not signed by the Minister for Finance. I do not know whether this is a signature.

Mr. Deputy Speaker: Order, Mr. Muturi! Do you know the Minister for Finance?

Mr. Muturi: Mr. Deputy Speaker, Sir, I know him in person.

Mr. Deputy Speaker: Then what is the problem? He is the one who has risen to answer your Question! Proceed, Mr. Minister!

The Minister for Finance (Mr. Okemo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The latest contract between *De La Rue* and the Government of Kenya for the printing of Kenya currency notes is a ten-year contract, which will expire on 1st January, 2003.

(b) Nobody has been appointed to print the notes after the expiry of the present contract. This will be done at the appropriate time when the current contract expires.

(c) The Board of the Central Bank of Kenya (CBK) resolved in its board meeting of February, 2001, to openly invite international bids for the next supply contract, and we are committed to ensure that this happens when the time comes.

Mr. Muturi: Mr. Deputy Speaker, Sir, arising from the answer given in part "a" of the Question, I would like the Minister to lay before the House the contract that he purports to be for ten years and is due to expire on January, 2003. Would the Minister also tell us the reason why, if the contract was to expire on January, 2003, it was deemed fit to invite international bids in February this year?

Mr. Okemo: Mr. Deputy Speaker, Sir, I do not have a copy of the contract, but I would like to promise

that I will bring one to the House. It is a ten-year contract and it has got clauses within it that provide for price negotiations after every two years. So, the contract is current; it was signed on 3rd May, 1993, and it will expire on 1st January, 2003.

Mr. Gatabaki: Thank you, Mr. Deputy Speaker, Sir. Could the Minister assure this House that there is no intention of printing money? Could he also deny the allegations that the Governor of the CBK and the Treasury have been roaming in Europe looking for a money printer in preparation for the next election, as they did in 1992? Could the Minister assure this House that the Governor has not been in Italy and France to get contractors to print money for KANU to rig the next general election?

(Applause)

Mr. Okemo: Mr. Deputy Speaker, Sir, I would like to make it clear to this House that I have no personal knowledge of such a scheme. If such a scheme is in place, I have no idea. I would like to assure this House that if such a scheme was in place, as the Minister for Finance, I would have known because the CBK works closely with the Treasury. I would like to point out that the printing of money has far-reaching implications on the macro-economic situation, and I do not see that happening if there were no consultations between the CBK and the Treasury.

Mr. Omingo: Thank you, Mr. Deputy Speaker, Sir. The Minister has said that he has no knowledge that there are plans to print money in order to rig the next general elections in his capacity as an individual. Perhaps, he could be having knowledge in his official capacity. Could the Minister tell us now whether it is the same scenario that he has been kept out of the deal of printing money until such a time that he will be compelled to sign on the dotted lines?

Mr. Okemo: Mr. Deputy Speaker, Sir, I would like to assure this House that there is no scheme in place for printing money for whatever purpose, other than the normal printing, which is done according to the requirements of the commercial banking sector in relation to the transactions of the banking sector.

Mr. Ayoki: Thank you, Mr. Deputy Speaker, Sir. The issue of printing money has caused a lot of havoc in our economy since 1992. Could the Minister confirm or deny that money was not printed in 1992?

Mr. Okemo: Mr. Deputy Speaker, Sir, I do not have facts which would make me either deny or confirm that. I was not in that docket, so I do not know that.

Mr. Obwocha: On a point of order, Mr. Deputy Speaker, Sir. Is the Minister in order to---

Mr. Deputy Speaker: Under which Standing Order have you risen on a point of order?

Mr. Obwocha: Mr. Deputy Speaker, Sir, under Standing Order No.88(2). The Minister is misleading this House.

Mr. Deputy Speaker: Order! Standing Order No.88(2), as I had explained earlier on deals with a Minister's refusal to answer a Question. In this instance, he is answering the Question, and you really cannot determine whether it is satisfactory or not until the Chair rules otherwise.

Mr. Angwenyi: Thank you, Mr. Deputy Speaker, Sir. The Minister has said that this is a ten-year contract with a provision to revise the price after every two years. Could the Minister tell this House the number of revisions that have been made, and whether they resulted in the increase or decrease in the price of printing money? Could he also tell us the amount of money that has been paid?

Mr. Okemo: Mr. Deputy Speaker, Sir, the contract provides for a review of price based on the cost of the CPI which is the Consumer Price Index in Kenya for printing an average Consumer Price Index in UK for the cost of paper. So, that is the basis upon which the revision of price would take place. The first revision took place in 1995 and it was downwards, while the second revision took place in 1997, and the prices were reduced. The last revision was made in 1999 and the prices went up. For those of you who would like to care, you can check on the Consumer Price Index in 1999 for UK and Kenya.

Mr. Obwocha: Thank you, Mr. Deputy Speaker, Sir. Is the Minister in order to mislead this House when his Ministry had a programme of mopping up excess liquidity from the economy which they printed? Now, he has said that he does not know this. I would like to point out that his Ministry was mopping up excess liquidity from the economy. What was he mopping up?

Mr. Okemo: Mr. Deputy Speaker, Sir, excess liquidity does not necessarily mean hard currency notes being withdrawn from circulation. I am sure the hon. Member understands what liquidity means. As an accountant, he should understand that money is not just currency. It is actually the transactions even on the current account, savings account and whatever instrument that is used as a medium of exchange. So, it was not just currency notes, but also the excess demand that is in the economy. That is what was being done in 1992 and

1993, but currency notes were part of the mopping up exercise.

Mr. Ndicho: Mr. Deputy Speaker, Sir, Kenyans and this House would like to know the amount of money it costs to print our money. For example, how much money would it cost to print Kshs100 billion, Kshs10 billion, Kshs20 billion, Kshs50 billion or Kshs16 billion?

Mr. Okemo: Mr. Deputy Speaker, Sir, I promise that I will bring a copy of the contract because I do not have one here. I think all that information will be contained in the contract.

Mr. Muturi: Mr. Deputy Speaker, Sir, the Minister says that he will bring a copy of the contract here. I suppose that from the perusal of the contract we may raise other supplementary questions. But be that as it may, could the Minister tell us, in the Board meeting of the Central Bank Board held in February this year, and where it was resolved to openly invite international bids, whether it was not felt that cost charge by *De la Rue* was excessive? Why did it become necessary to think in February this year that there would be a need to invite other international bids, considering that *De la Rue* is a reputable international organisation?

Mr. Okemo: Mr. Deputy Speaker, Sir, the reason why the Board of the Central Bank of Kenya decided that at the expiry of the next contract, they should go for competitive international bidding, was because of the new procurement regulations that say you do not go for single sourcing or selective tendering. So, they are merely reinforcing the new regulations for procurement and expressing their wish that this should be followed to the letter at the expiry of the current contract.

Mr. Deputy Speaker: Next Question, Dr. Kulundu!

ADJUSTMENT OF KBC STAFF HOUSE ALLOWANCES

Dr. Kulundu: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Tourism and Information the following Question by Private Notice.

(a) Is the Minister aware that majority of employees of Kenya Broadcasting Corporation (KBC) did not benefit from the recent review of their house allowances?

(b) What urgent measures is he taking to avert a possible strike over this issue?

The Assistant Minister for Tourism and Information (Dr. Wamukoya): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I had a problem with part "a" of the Question because I would have answered it either way. However, I am aware and I can clarify during the supplementary questions.

(b) The Civil Service attempted to bring house allowance scales of civil servants to the levels of the private sector, KBC included. But in so doing, the new allowances did not supersede what KBC staff were already earning. In fact, the low cadre civil servants are still getting lower allowances than KBC staff allowances.

(c) There is room for review of the house allowances for KBC staff. This is an issue the KBC management is addressing. In any case, I am not aware of any impending strike.

Dr. Kulundu: Mr. Deputy Speaker, Sir, the KBC is one organisation that tends to project itself as being very mindful of the welfare of the common mwananchi. And it is astounding that when the management of this corporation was given an opportunity to review not only the house allowances, but also other perks for the various categories of employees, they proceeded to award themselves nearly 500 per cent increase in house allowance and giving nearly 80 per cent of its employees, who are the majority, "zero per cent".

Mr. Deputy Speaker: Order! Ask your question!

Dr. Kulundu: Mr. Deputy Speaker, Sir, what justification did the Corporation have, for example, in awarding "zero per cent" increase to employees in scale BA11 all the way to BA7 and awarded employees in scale BA3 who were earning Kshs8,000 per month as house allowance Kshs20,000? Why was the Managing Director given Kshs60,000, up from Kshs20,000? What rationale was this?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, I think the KBC management is unfairly being accused. The circular that prompted the Question is the Circular on Harmonisation of Terms and Conditions of Service in the Public Service emanating from the Directorate of Personnel Management (DPM) and not from the KBC. I said despite the fact that KBC staff house allowances are still higher than the scales that are in this scale - I can table this document if you like - I can say the majority of KBC employees have not been disaffected.

Mr. Shitanda: Mr. Deputy Speaker, Sir, this anomaly is not only in KBC, but in all the parastatals and in the Civil Service. This is why we have been saying that Civil Servants should be allowed to have a union so that when an opportunity comes for review of allowances, they have representatives on these committees that award allowances. Could the Assistant Minister give the justification for not allowing the registration of the Kenya Union of Civil Servants and also the anomaly where senior civil servants awarded themselves house allowances to

the tune of Kshs.100,000, while junior civil servants---

Mr. Deputy Speaker: Order! That cannot be a supplementary question to this Question.

Mr. Shitanda: Mr. Deputy Speaker, Sir, let me ask a question then?

Mr. Deputy Speaker: Ask another one; but to that one, I say "No!"

Mr. Shitanda: Could the Assistant Minister tell us the justification for awarding the senior officers in KBC huge increments and leaving out the junior officers?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, I think, if you may allow me, I will quote, just briefly, from the Harmonisation Circular on page 5, Schedule I. After the given tables, there is a footnote. It says:

"Officers and teachers currently drawing a house allowance which is higher than the regional rates indicated against their grades will retain the higher rates."

The staff of KBC were already earning higher than what was recommended. Therefore, they retained their higher rates.

Mr. Deputy Speaker, Sir, if I may also quote from the KBC table, the seven categories that the hon. Member is talking about did not change at all because the new rates recommended by DPM are still lower than what the KBC staff were getting. But the other six categories got an increase. The footnote says: "Where KBC rates are higher than the set public service rates, the higher rates still apply." The second footnote says: "Where the new public service rates are higher than the KBC rates, the set higher rates will apply."

So, Mr. Deputy Speaker, Sir, everything was done in favour of all the staff of the KBC from the scale BA11 we are talking about, to BE1.

Dr. Kulundu: Mr. Deputy Speaker, Sir, the Assistant Minister inaccurately says that the lowest employees in KBC are earning higher than their counterparts in the Civil Service. The truth of the matter is that there is no counterpart in the KBC of Job Group A and B in the Civil Service. That notwithstanding, in his answer he says KBC management is committed to reviewing these house allowances. That being the case, could he consider revoking the contents of the circular where the KBC staff, particularly the junior and the medium ones, will be evicted from Kipange and Shauri Moyo estates, until such time as when the management of KBC will review the house allowances, as the Assistant Minister has promised?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, if these workers had been affected adversely, then I would consider that. But they are earning house allowances under the previous scales which are higher than what the DPM recommended. Therefore, I do not see any reason why I should make changes when those employees are still drawing higher house allowances.

Mr. Angwenyi: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Do you know what to do when you stand on a point of order?

Mr. Angwenyi: Yes, Mr. Deputy Speaker, Sir. Would I be in order---

Mr. Deputy Speaker: Order! On what Standing Order are you on your feet?

Mr. Angwenyi: Mr. Deputy Speaker, Sir, do you want us to cram the Standing Orders?

Mr. Deputy Speaker: No, you have your Standing Orders book, and you can read it.

Dr. Kituyi: Mr. Deputy Speaker, Sir, in his first reply, the hon. Assistant Minister said that the reason for rationalizing the new benefits is, harmony with the private sector. Now, in this country we know there is an anomaly in the media industry, where senior staff have been giving themselves generous packages because of the growing industry, but the junior staff, particularly reporters and stringers in the countryside, are on dog wages. This distorts the quality of information and the temptation of being bribed before they file some favourable reports. Is this the private sector you are imitating despite the fact it offers generous benefits to senior management and poor benefits to junior employees?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, in my answer, I said that the KBC is addressing the issue of house allowances because this circular told everybody who felt that he did not benefit to sit down and make recommendations to the DPM. This is what they are doing now.

Mr. Deputy Speaker: Dr. Wamukoya, since the KBC is a corporation set up by an Act of Parliament, are they answerable to DPM?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, public servants must report to one point as far as the conditions and terms of service are concerned, and this is the DPM.

Mr. Deputy Speaker: Is that what the Act requires of them?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, I do not know what the Act says.

Dr. Kulundu: Mr. Deputy Speaker, Sir, the Assistant Minister is giving us information he has not verified. Generally speaking, employees of corporations earn higher wages and allowances than those in the Civil Service. So, the employees of Kenya Broadcasting Corporation have a right to earn higher house allowances than

the civil servants. The Assistant Minister should stop contradicting himself. Is KBC committed or not committed to reviewing the current house allowances for its employees?

Dr. Wamukoya: Mr. Deputy Speaker, Sir, I do not know whether you would want me to lay on the Table a document that I have here, which shows that the KBC staff, all the way from BA11 to BE1, are earning more house allowances than other civil servants?

Mr. Deputy Speaker: Lay that document on the Table! I think that is the end of that story.
Next Question!

(Dr. Wamukoya laid the document on the Table)

CONTAMINATION OF WATER IN
DAGORETTI CONSTITUENCY

Mrs. Mugo: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Environment the following Question by Private Notice.

(a) Is the Minister aware that water for domestic use in Waithaka and other parts of Dagoretti is contaminated by sewerage water and oil pollutants?

(b) Is he further aware that this pollution poses a big health threat to a large population of Dagoretti?

(c) What urgent measures is the Ministry taking to curb this life threatening health risk and post environment officers to investigate and rectify this problem?

The Minister for Environment (Mr. Ngala): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that at the environs of Waithaka shopping centre, a plot with a highrise building is releasing sewage to the natural storm drain which is causing a public outcry.

(b) I am not aware that this affects the whole of Dagoretti.

(c) Officers from the Ministry have been mobilised to ensure that the offender stops committing criminal acts. It is important that the Nairobi City Council by-laws on pollution be enforced for this situation to cease.

Mrs. Mugo: Mr. Deputy Speaker, Sir, the only reason the Minister, in part "a" of the Question, says he is aware is because he was seen on television the other day--- I would like to inform the Minister that this is happening in Kawangware, Satellite and Uthiru Estates. Indeed, even the residents have tried to go to court because this particular building is emitting the sewage into people's vegetable gardens, and nothing is happening.

However, exactly what action is the Ministry taking to rectify the situation, because to say that they are mobilising their officers to ensure that the offender ceases to commit criminal acts does not answer my Question. This has been happening for a long time. What action is he going to take now, so that people stop dying?

Mr. Ngala: Mr. Deputy Speaker, Sir, on the part of the Ministry of Environment, I think the officers that have been mobilised are going to ensure that the provisions of the National Environment and Co-ordination Act regarding pollution are going to be adhered to. I think that is the best that we can do right now.

Dr. Kituyi: Mr. Deputy Speaker, Sir, the Minister is saying that he is aware that there is contamination. He is talking about going to mobilise his officers to ensure that provisions of the Act are adhered to. What has his Ministry been doing up to now; only mobilising officers? When a criminal offence is being committed, you are mobilising your officers! What else have you done as a Ministry?

Mr. Ngala: Mr. Deputy Speaker, Sir, what I said earlier on was that, the areas that the hon. Member referred to are areas that fall under the Nairobi City Council. The City Council has to approve building plans in respect of sewerage. If the Nairobi City Council is not enforcing the procedures that are supposed to be met by developers or builders of houses, it becomes a problem. The Ministry of Environment, with an added enforcement arm, has got to come in and help, to see whether this situation can be corrected. But initially, the first thing one would do to make sure that this is controlled is to ensure that the by-laws which are there are enforced. If the by-laws are not followed, the problem begins there. As I said, the Ministry of Environment, through this new Act, is also going to refer to the relevant section to make sure that the offender observes those regulations.

Mr. Gitonga: Mr. Deputy Speaker, Sir, the hon. Questioner wanted to know what action the Minister is going to take against those people who are already releasing these pollutants to the drinking water.

Mr. Ngala: Mr. Deputy Speaker, Sir, maybe the best thing for me to say right now, since the officers have been sent to the ground to be able to monitor and to gather information, is that they will come up with recommendations, and based on that, we will be able to take action.

Mrs. Mugo: Mr. Deputy Speaker, Sir, could the Minister first tell this House whether they are going to sue the people who are doing this? Secondly, we were all horrified to see people in Waithaka opening water pipes

and then oil was coming from the pipes. The pipes are rotten and the oil is sipping into the water pipes. It is almost a month ago since the oil came from the water pipes. What action has the Ministry taken?

Mr. Ngala: Mr. Deputy Speaker, Sir, I will find out what the Ministry of Water Development has done with regard to the water, which was contaminated by effluent going into the pipes. But that is a different Question altogether.

Mr. Deputy Speaker: Mr. Minister, may I advise you to acquaint yourself with the provisions of the Environmental and Co-ordination Act, because it gives you the authority to stop this from continuing. Get your officers to go and inspect the water, with a view to implementing the law.

Mr. Ngala: Mr. Deputy Speaker, Sir, before we invoke provisions of the law, we need to get the proper information.

Mr. Deputy Speaker: The hon. Member can actually go to court on this issue. She does not have to be a member of staff of the Ministry to sue people who are violating the environment. Section 8 of the Environmental Co-ordination Act allows any person who feels aggrieved to sue anyone who degrades the environment.

Next Question, Mr. Kiunjuri!

GRABBING OF HOLDING GROUND IN NANYUKI TOWN

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Lands and Settlement the following Question by Private Notice.

(a) Is the Minister aware that the only slaughter yard land and holding ground for animals in Nanyuki Town, measuring about ten acres, has been allocated to a private developer?

(b) Why was the land allocated and who are the beneficiaries?

(c) What immediate action is the Minister taking to revoke the allocation?

The Assistant Minister for Lands and Settlement (Mr. Sudi): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware that the only slaughter yard land and holding ground for animals in Nanyuki Town, measuring about ten acres, has been allocated to a private developer.

(b) Since part one of the answer is in the negative, the reasons for allocation and who the beneficiaries are, do not arise.

(c) I do not intend to take any action since there is no allocation to be revoked, unless the hon. Member proves otherwise.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, it is unfortunate that the Assistant Minister cannot establish the facts on the ground although he wants me to prove otherwise. You can imagine that you come from Kisumu Town---

Mr. Deputy Speaker: Order, Mr. Kiunjuri! In the meantime, just imagine that you come from Nanyuki Town and ask your question!

(Laughter)

Mr. Kiunjuri: Last week there was a huge demonstration, which was reported by all the daily newspapers---

Mr. Deputy Speaker: Order, Mr. Kiunjuri! Just ask your question.

Mr. Kiunjuri: What then is the reason for erecting beacons on a piece of land? What does that mean?

Mr. Sudi: Mr. Deputy Speaker, Sir, the answer I have given is a straightforward one. The ten-acre piece of land in Nanyuki Town, owned by the Kenya Meat Commission, is still intact. If the hon. Member has information to the contrary, he can avail it to us so that we can act on it.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, the Assistant Minister is deliberately misleading the House. One of my constituents has been offered two acres of this specific land at a cost of Kshs3 million. As a matter of fact, the hon. Member for Laikipia East informed me last week that he personally led wananchi in uprooting beacons on that land. Could the Assistant Minister assure this House that the people of Githunguri will not be misled into believing that there is land, which is available for them in Nanyuki Town?

Mr. Sudi: Mr. Deputy Speaker, Sir, I am not misleading the House. The answer I have read out is very clear. If he has information to the contrary, we will be happy to receive it, so that we can act appropriately.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, you did not give me enough time to explain---

Mr. Deputy Speaker: No! This is Question Time!

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, could you order the Assistant Minister to accompany me to the

ground so that we can establish the correct position?

Mr. Deputy Speaker: Mr. Kiunjuri, you have not even alleged or proved that this is public land. I could have a slaughter yard in my private land!

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, the truth is that this is a public slaughter yard. We can establish this from the physical planner's office!

Mr. Deputy Speaker: Order, Mr. Kiunjuri! Those are facts which you should have been armed with. If you want me to defer this Question so that you can get that information, I will do so.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I would like to request the Assistant Minister to go to the ground and establish the facts. As a matter of fact, I will accompany him to that place.

Mr. Deputy Speaker: Order, Mr. Kiunjuri! The Standing Orders of this House state quite clearly that a Member asking a Question, or making a statement here is responsible for the accuracy and facts of his Question or statement. If I were the Assistant Minister, I could not answer this Question because this slaughter yard could have been on my private land! You must establish that the land you are talking about is public land! I am prepared to defer this Question to enable you to do that.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, could the Assistant Minister consider dispatching his team to accompany me to the ground in order to establish the correct position?

Mr. Sudi: Mr. Deputy Speaker, Sir, that is out of the question. If the hon. Member comes to our office and requests us to dispatch our officers to the ground, we shall have no objection. But the answer I have read out is correct because we have been to the ground.

Mr. Deputy Speaker: Order, Mr. Mr. Sudi! I think that is a fair request. Dispatching one of your officers to go to the ground with the hon. Member is not asking for too much. So, I defer this Question to Tuesday next week.

(Question deferred)

That brings us to the end of Question Time. Next Order

MINISTRIAL STATEMENT

APOLOGY FOR FAILURE TO ANSWER QUESTION NO.457

The Minister for Environment (Mr. Ngala): Mr. Deputy Speaker, Sir, when I was out of the country, there was a breakdown in communication with regard to Question No.457 by hon. Kiunjuri. It was not answered twice. That caused a lot of concern in this House, because neither the Minister nor Assistant Minister was in this House to reply. While I was away in my constituency, after arriving from a long trip, to go and check on a very urgent matter of water crisis in Bamba Division, I learnt of this situation. I would like to assure the Chair and the House that we have corrected that problem and next time the Question is put on the Order Paper, we will be able to reply sufficiently. We apologise to the House for that mix up.

Thank you very much. Next Order!

BILL

Second Reading

THE COPYRIGHT BILL

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. Michuki, I hope it is not on the Order, which has just been read out, because nothing has happened yet! You do not know if the Mover is not going to withdraw it. Let the Attorney-General move it first!

The Attorney-General (Mr. Wako): Mr. Deputy Speaker, Sir, I beg to move that the Copyright Bill, 2000---

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir. My point of order arises from the Standing Orders of this House which, from the Chair, have been vigorously enforced. Too often, we have found that we have violated our own regulations. That has extended throughout the country, where the law is being

ignored.

Mr. Deputy Speaker, Sir, Standing Order No.97 requires that every Bill brought before this House, within the Memorandum of Objects and Reasons, must contain an estimate of the expenditure that would be incurred, in order to implement it. That, in my nine-year experience, is a very important requirement because the taxpayer cannot be overburdened by things that are not ascertainable, other than by way of estimating as you move. So, although the Standing Order says that it is where possible, I wish to submit that it is possible to estimate the cost of implementing this Bill. I am not only talking about this Copyright Bill. This is probably my fourth time, although previously, I did not quote the relevant Standing Order. I am requesting that this matter be taken seriously because we cannot go on appropriating money in this manner: that we commit this Republic to expenditures whose revenue source is uncertain. So, we continue overburdening the taxpayers to the extent where we are implementing Bills by raising money from the market through Treasury Bills. Therefore, I want to move that this Bill should be withdrawn and redone, so that it shows exactly how much money it will cost.

For example, on the Board of Directors, how many directors are there? How much office space will they require? Will they be given cars? What has the Minister decided with regard to the remuneration of the directors? All that is part of consideration of a Bill, even before the Cabinet. It is supposed to go to the Cabinet.

The Minister for Finance, who is supposed to endorse the Bill, cannot do so unless he is satisfied that he will be able to find the money which is required to implement the law. Therefore, unless we have decided to abandon our laws and procedures in this jungle of violence and insecurity, I think that we cannot take this country for a ride any more.

Mr. Deputy Speaker: What Mr. Michuki is saying is quite true in respect of Standing Order No.97. For the benefit of those who do not have their Standing Orders, I will read it in full.

"Every Bill shall be accompanied by a Memorandum containing a statement of the Objects and Reasons of the Bill and, if the expenditure of public moneys will be involved if the Bill

[Mr. Deputy Speaker]

is enacted, an estimate, where possible, of such expenditure: Provided that any Bill introduced by a Member other than a Minister must be signed by that Member."

I think the mandatory part of this Standing Order refers to the statement and not really the estimates. What has been the practice--- I have got in my hands here, four Bills in which the statement is made by the Attorney-General as follows:-

"That the enactment of this Bill will occasion additional expenditure of public funds, which shall be provided for through the Estimates."

That has been the practice for some time now. Really, I do not see that the absence of figures did, in fact, prejudice the discussion in this House. So, I will take up this issue to see that, that Standing Order is followed to the letter. But since we have precedence in the sense that we have discussed Bills with similar statements from the Attorney-General, we cannot now rule that, only on this occasion he is out of order! So, I will allow him to proceed.

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. With due respect to the Chair and the ruling--- You have made many Solomonic rulings before. Two wrongs do not make a right! You have accepted that this is wrong and the fact that there was precedence in the matter---

Mr. Deputy Speaker: Order! You cannot debate my ruling! I have made a ruling! If you want to change my ruling, you know what to do! You do not stand up after I have made it to challenge it! You only do so at grave risk to your continued enjoyment of your freedom!

Mr. Mwenje: But I am just trying to put things right! If you do allow the debate to---

Mr. Deputy Speaker: Order! I am sorry! I have already said that I will now look at this matter afresh, with a view to enforcing the provisions of that

Standing Order to the letter! For the time being, I cannot stop the work of the House when there are precedents. How do we make rulings in this House? Look at your Standing Order No.1, that we go by precedents and what happens in other jurisdictions. In this jurisdiction, we have allowed that statement to suffice for purposes of our alerting the public that there is going to be public expenditure.

Proceed!

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: I am not going to entertain any arguments! I have made a ruling! If you want to enable me to make a better ruling, you should do that later but not now. That ruling stands!

Mr. Michuki: I would like to seek clarification from you!

Mr. Deputy Speaker: Order, Mr. Michuki! I have already made a ruling on the point of order that you raised. There is no clarification that is going to make it clearer than what I have said.

Proceed!

QUORUM

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. Is there a quorum in the House?

Mr. Deputy Speaker: No, we do not have a quorum. Ring the Division Bell!

(The Division Bell was rung)

ADJOURNMENT

Mr. Deputy Speaker: Order! Hon. Members, there being no quorum, I have no alternative but to announce that we should now adjourn the House until next week on Tuesday, 20th November, 2001, at 2.30 p.m.

The House rose at 4.40 p.m.