

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 3rd December, 1996

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 705

DISBURSEMENT OF RDF

Mr. Ndicho asked the Vice-President and Minister for Planning and National Development:-

(a) when the Rural Development Fund (RDF) was last disbursed in Thika District;

(b) how much was given out and how many people benefitted from it; and

(c) what plans the Government has to recover the funds from the first beneficiaries so as to benefit the other borrowers.

The Assistant Minister for Planning and National Development (Mr. Oyondi): Mr. Speaker, Sir, I beg to reply.

My Ministry last disbursed funds to Thika District under the RDF Programme during 1993/94 Financial Year. A total sum of Kshs639,054 was disbursed to the District, to assist the beneficiaries of the following three projects as follows:-

Ithanga Youth Polytechnic	Kshs169,981
Munyu Youth Polytechnic	Kshs189,733
Mathaara Health Centre	<u>Kshs279,340</u>
Total	<u>Kshs639,054</u>

Mr. Speaker, Sir, I wish to advise the hon. Member that money provided by the Government under the Rural Development Fund Programme has never been a credit to the beneficiaries. Money provided under the Programme has always been utilised in supplementing contributions from self-help groups to complete rural development projects.

Mr. Ndicho: Mr. Speaker, Sir, the Assistant Minister is misleading the House. This is not the money that I asked about because the money that was given in 1992 was given to individuals. There were already some 10 women who were given Kshs2,500 each and now they are being asked to pay Kshs4,750.

Mr. Salat: On a point of order, Mr. Speaker, Sir. I think the Questioner is confused because he is confusing RDF with Rural Development Enterprise Fund. That is, the money that was given as loans to small enterprises. But this is Rural Development Fund where you put funds into projects. These are not loans.

Mr. Speaker: Well, that is what I was just about to tell you, Mr. Ndicho. Maybe what you had in mind was the Rural Enterprise Fund and not the RDF. What we have now is RDF and so stick to it.

Mr. Ndicho: Mr. Speaker, Sir, I do not know what happened because I was asking about the Rural Development Enterprise money that was given out.

If that was the case, Munyu Youth Polytechnic has already closed down. Since I was elected in 1993, it has never been operational and there has never been any teacher and there has never been any student there. So, can the Assistant Minister tell us where this money went and who took this Kshs189,733 because I doubt whether this money ended up even in Ithanga which is in Makuyu Constituency and Mathaara which is in Gatundu Constituency? So, can the Assistant Minister tell us where who received this money because that polytechnic at Munyu is non-operational.

Mr. Oyondi: Mr. Speaker, Sir, the money which was given out was not meant to operate the polytechnic, but to construct buildings. If the buildings are there and the polytechnic is not working, surely it is not the mistake of the Ministry. The hon. Member should now approach the Minister for Research, Technical Training and

Technology to find out why.

Mr. Ndicho: Mr. Speaker, Sir, I would like to update the Assistant Minister because he does not know where Munyu is in this world. I know where it is because this is my constituency. Munyu Youth Polytechnic has been there for a long time and I used to go there even when I was not a Member of Parliament. The way it looked at that time, is the way it is now. Where did this money go and who was given this money? The buildings which were there are the same buildings and nothing has been done.

Mr. Oyondi: Mr. Speaker, Sir, now that the hon. Member has heard that the Government spent so much money in Munyu, it is for him to go back and find out how this money was spent, and maybe he will help us. But as far as we are concerned, this money was spent there.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. I think hon. Oyondi is not serious at all. How can he tell me to go and find out who "ate" the money? Is he in order?

Mr. Speaker: Order! Order, Mr. Ndicho! I think we must all be very honest to each other. I think you came to the House directing your mind to the Rural Enterprise Fund, then it became RDF. So, maybe, you can ventilate to that other thing. Next Question, Mr. Shikuku!

Question No.794

REINSTATEMENT OF AMAKURUS

Mr. Ndicho: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: I am sorry! Mr. Shikuku not here! Question is held for the moment! Next Question, Rev. Ommani!

Question No.460

LOSSES INCURRED BY SUGAR CANE FARMERS

Rev. Ommani asked the Minister for Agriculture, Livestock Development and Marketing:-

- (a) whether he is aware that cane farmers incur losses when their cane spills while being transported to the factory;
- (b) if he is further aware that cane farmers are over-taxed through the levy and other charges; and
- (c) what plans the Ministry has to help the farmers minimise losses as a measure to encourage cane farming in the country.

Mr. Speaker: Nobody from the Ministry of Agriculture, Livestock Development and Marketing! Next Question, Mr. Gatabaki!

Question No.202

COST OF MAINTAINING DIPLOMATIC MISSIONS

Mr. Gatabaki asked the Minister for Foreign Affairs and International Co-operation:-

- (a) how many foreign diplomatic missions Kenya has got and how much money does it cost to maintain each mission; and
- (b) what the criteria for opening and staffing such missions is.

The Assistant Minister for Foreign Affairs and International Co-operation (Dr. Manduku): Mr. Speaker, Sir, I beg to reply.

(a) At present, Kenya has 32 diplomatic missions abroad. The following is the breakdown of costs for maintaining each mission per annum---

Mr. Speaker: Mr. Assistant Minister, are you going to give the cost of each mission 32 times?

The Assistant Minister for Foreign Affairs and International Co-operation (Dr. Manduku): Mr. Speaker, Sir, there are 34 missions.

Mr. Speaker: Well, table the list.

The Assistant Minister for Foreign Affairs and International Co-operation (Dr. Manduku): Mr. Speaker, Sir, I did not work out the total cost for all missions, but I have the total cost for each mission, and because they do not want me to read it out, I will lay the list on the Table.

(Dr. Manduku laid the list on the Table)

Mr. Achieng-Oneko: On a point of order, Mr. Speaker, Sir. Instead of the Assistant Minister reading the whole list, can he lay it on the Table, so that we can get it and read it for ourselves?

Hon. Members: He has already laid the list on the Table!

Dr. Manduku: Mr. Speaker, Sir, I have tabled the list, but I have to answer part "b".

(b) The Government establishes missions for various reasons, including political, economic, commercial and historic interests. Obviously, after 32 years of Independence, our objectives cannot remain static. The level of staffing is determined by the scope and scale of activities in a particular mission. Thank you.

Mr. Gatabaki: Mr. Speaker, Sir, I am disappointed. I am sure that the whole country is disappointed by the answer given by the Assistant Minister. Diplomatic representation is very, very important because ambassadors are the eyes of this country. Not only at The Hague, but the calibre and quality of our ambassador, including that of the other staffing members. The image of this country has been enormously tarnished because of the people we---

Mr. Speaker: Order! Order, Mr. Gatabaki! Are you giving a speech or are you asking a question?

Mr. Gatabaki: Mr. Speaker, Sir, I had to put the question in a perspective manner. It is a very important one. Very few Kenyans know who our ambassadors overseas are. Even most of the hon. Members cannot tell who is our High Commissioner in London. So, that is a very important question. A situation has developed where those who are---

Mr. Speaker: Order! Order, Mr. Gatabaki! Mr. Gatabaki, it is your Question and, therefore, I will give you another opportunity to put the question.

Mr. Gatabaki: Mr. Speaker, Sir, in view of the fact that we are spending Kshs1.5 billion a year on diplomatic representation, is it in order for the Ministry of Foreign Affairs and International Co-operation to allow such calibre of Kenyans who have messed and looted the economy to be our ambassadors overseas? Is it in order to take the poorest calibre of Kenyans to foreign missions?

Dr. Manduku: Mr. Speaker, Sir, I have not heard any question from hon. Gatabaki, but what I realise is that he is talking about ambassadors and the question of ambassadors does not arise here, because I remember that some four months ago, we answered the question of ambassadors in every station. So, I do not know what he really has in mind.

Dr. Kituyi: Mr. Speaker, Sir, arising from the earlier reply by the hon. Assistant Minister on the criteria used in deciding on the sizes of diplomatic missions abroad, could he explain to this House, what justified a massive expansion of the Kenyan diplomatic mission in Romania in the dying years of the Ceausescu dictatorship?

Dr. Manduku: Mr. Speaker, Sir, if the hon. Member goes through our list which has been tabled here, he will see that we do not have an embassy in the Republic of Romania.

Mr. Anyona: Mr. Speaker, Sir, can the Assistant Minister tell the House, how many out of the diplomats, the ambassadors and High Commissioners he has mentioned, are career diplomats and how many of them are "political joy-riders?"

(Applause)

Dr. Manduku: Mr. Speaker, Sir, most of our ambassadors are career diplomats, but quite a few of them have also been appointed by the President, which is his own prerogative.

Mr. Gatabaki: Mr. Speaker, Sir, can the Assistant Minister tell this House why the Kenya Government spends more money in places like Lagos, Kshs1,314,560 than Uganda where we have the highest level of trade? Why are places like Pretoria, South Africa has got such poor representation in form of expenditure unlike other places like Khartoum where we spend more money? What is the criteria? Why are we spending less money in places where the commercial interests of this country is so significant and spending much more where it is not?

Dr. Manduku: Mr. Speaker, Sir, when we are making our a budget for all our stations, we also look into many factors. There are some stations where the cost of living is very high and we have to cater for other expenses that are incurred in that particular country. Therefore, we are not going to have a uniform budget for all the missions in the world.

Mr. Speaker: Very well. Mr. Norman Nyagah's Question.

Question No.867

WATER SHORTAGE AT EMBU HOSPITAL

Mr. Nyagah asked the Minister for Health:-

(a) if he is aware that water is constantly being disconnected at the Embu Provincial Hospital, because of inadequate funding of Kshs35,000 monthly by the Government, whereas the hospital has a monthly consumption worth Kshs140,000;

(b) since money generated through cost-sharing is never enough to run the services of this medical institution, if the Government would allocate a higher budget to cater for water requirements and pay for arrears accrued in water consumption; and,

(c) when he and his senior members of staff in Afya House will visit Embu Provincial Hospital to see for themselves first hand information.

The Assistant Minister for Health (Mr. Criticos): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that water supplied to Embu Provincial Hospital has occasionally been disconnected due to delayed payments arising from inadequate funding.

(b) My Ministry has continued to solicit increased budgetary allocation against the basic hospital items which also, includes water. As a result, the budgetary allocation for water has been increased to Kshs2,326,600 during this financial year, which basically amounts to Kshs196,893 per month for water.

(c) My Minister, the hon. Joshua Angatia, visited Embu Provincial Hospital on 23rd February, 1996, and made an extensive tour of the hospital departments and other sections. There are also frequent supervisory visits by our senior staff members from the Ministry Headquarters. I hope this is in order with the hon. Nyagah.

Mr. Nyagah: Mr. Speaker, Sir, I thank the Assistant Minister for the answer he has given to parts "a", "b" and "c". We have no much quarrel today. But I would be very grateful if the Embu Provincial Hospital has been allocated Kshs2.3 million in one year instead of Kshs1,143,400 which we passed in this Parliament during the debate on the Vote of the Ministry of Health. We have a provision here for water and conservancy expenses worth K£57,170. Which of the two figures is correct, so that I can ask my question?

Mr. Criticos: Mr. Speaker, Sir, the latest figure is the one which I have brought to this august House, which on the financial year was K£118,830.

Mr. Nyagah: I think the one I have here showing K£57,170, must be outdated. I thank you. My last question on water is: Would you, by any chance, try and help the hospital by having water bills paid directly to the Water Corporation as opposed to Embu Municipal Council, because when they do not pay to the Water Corporation, the hospital suffers a great deal? As a Government institution, and you have great interests in Government institutions, would you ensure that happens so that they get their water directly and pay to the Water Corporation as opposed to paying to the Council?

Mr. Criticos: Mr. Speaker, Sir, it is quite out of order to pay directly to the corporation. There are by-laws that we must go by. The council must be paid the water rates and other rates like land rates.

Mr. Speaker: Mr. Sifuna's Question.

Question No.452

CONTRIBUTIONS TO SUPERNATION FUND

Mr. Speaker: Mr. Sifuna not yet here? Very well, we will leave his Question for the moment. Mr. Muite's Question.

Question No.953

DEMOLITION OF KIOSK

Mr. Muite asked the Minister for Local Government:-

(a) whether he is aware that a licensed kiosk operated by Mr. Joseph Kiplangat Sambu in Kericho Town was demolished on 3.5.96 by the Kericho Municipal Council on the ground that the said Joseph Kiplangat Sambu is the Chairman of FORD(A) in Kericho District; and,

(b) whether he will direct the council to compensate Mr. Sambu and facilitate his legitimate business as and when the kiosk is re-constructed after such compensation.

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, Sir, I beg to reply.

(a) Mr. Joseph Kiplangat Sambu was not formally allocated a kiosk by the council, but he allocated himself a portion of the road reserve and built a kiosk on it. When this was discovered he was ordered to demolish it. Due to non-compliance with these instructions, the council had no option, but to demolish Mr. Sambu's kiosk.

It should be noted that Mr. Sambu's kiosk was not the first one to be demolished; several kiosks have demolished due to non-compliance with council by-laws. To say that Mr. Sambu's kiosk was demolished because he is the Chairman of FORD(A) in Kericho District is untrue and thoroughly irrelevant. This is because Kericho Town has members from all parties, taking part in the economic development of the town.

(b) It is difficult to see how the council can compensate Mr. Sambu when he actually violated the its by-laws.

Mr. Muite: Mr. Speaker, Sir, would the Minister be prepared to go back and do further investigations in the light of the fact that his written answer, which he has read out, clearly says that the council did not allocate this kiosk, but instead Mr. Sambu allocated a portion of the road reserve to himself? I have a letter here from the Kericho Municipal Council to Mr. Sambu which says:-

"It has come to my knowledge that you sub-let the kiosk allocated to you by the council. As you are aware, this is not in order as kiosks are meant to assist the persons they are allocated to".

That is the reason why the council says it demolished the kiosk. Is the Minister prepared to go and do further investigations on the matter? I would like to lay this letter on the Table of the House.

(Mr. Muite laid the letter on the Table)

Mr. ole Ntimama: Mr. Speaker, Sir, I just want to make one comment before I respond to the hon. Member's request. I want to say that Mr. Sambu's kiosk was demolished in a clean up exercise that affected everybody who was, probably, located in the wrong area of town, including in road reserves. But to satisfy the hon. Member, and the House in particular, I am prepared to go back and investigate this matter properly, and then report back to the House later.

Mr. Muite: When will you do that?

Mr. ole Ntimama: Mr. Speaker, Sir, communicating with Kericho from Nairobi will probably take a week and so I will come back here about this time next week.

(Several hon. Members stood up in their places)

Mr. Speaker: I have deferred this Question to next week.

(Question deferred)

Mr. Kamuyu's Question!

Question No.515

PRIVATIZATION OF ROADS IN DAGORETTI

Mr. Kamuyu asked the Minister for Local Government what plans he has for the privatization of the roads in Dagoretti, which are in a deplorable state.

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, Sir, I be go reply.

We are not going to privatise roads anywhere within the jurisdiction of the Nairobi City Council. But in a bid to ensure that roads in Dagoretti are motorable throughout the year the Nairobi City Council has awarded a contract for grading and murraming of Kinyanjui, Kabira and Wangaria Roads in Dagoretti Constituency at a cost of Kshs18 million. Further, during the 1996/97 Financial Year the Nairobi City Council has put under its capital projects grading and murraming of Muthiora and Thiong'o Roads in Dagoretti Constituency among the priority projects. The Kenya Government has, under the Kenya Urban Transport Infrastructure Project, included in phase one of the programme, the reconstruction of Kinyanjui and Wanyee Roads in Dagoretti Constituency. I want to explain the last point that I have made. We have a big World Bank project which covers several towns and cities in this country. The amount of money for phase one that is going to be spent by Nairobi City Council, from the World Bank sponsorship, will go to Dagoretti Constituency.

Mr. Kamuyu: Mr. Speaker, Sir, I wish to thank the Minister for the great effort he has made to answer this Question. But I want to explain that it was admitted here by Dr. Wameyo about three months ago, that Kshs812 had been lost or "consumed". For this reason, we in Dagoretti have no choice, but to stop paying the services charge, because the proceeds of this charge have already been misapplied. It is not uncommon to have private roads, especially in the Western World. That was the essence of this Question. In a desperate move to get

the roads motorable, I have put this Question to the Minister. Nonetheless, the Kshs18 million work on Kabira Road and other roads stopped six months ago. So, there is no road maintenance work which is going on in Dagoretti Constituency. Could the Minister tell the House how much money has been set aside, under the Kenya Urban Transport Infrastructure Programme, for Kinyanjui and Wanyee Roads in Dagoretti, and when this particular project will start? Will he also tell us when the contractor will re-commence work on the Kshs18 million project which had started but stopped?

Mr. ole Ntimama: Mr. Speaker, Sir, the Nairobi City Council has just signed the agreement with the World Bank for the repair of roads within the City. I do not know when the actual work will start. That is actually the responsibility of the engineers of Nairobi City Council and those of the Government. But I am sure that money for phase one of the project - I do not know how much it is - will go to Dagoretti Constituency. I have personally checked and confirmed this. If the hon. Member is dissatisfied with the expenditure of the Kshs18 million, as a Member of Parliament for one of the City constituencies, he has the right to inquire from the City Council and ourselves why the project stalled. But I do not think it has stalled. We can probably discuss this matter and come to a mutual understanding.

Mr. Nthenge: Is the Minister aware that it is not possible to have good roads in Nairobi and especially in Dagoretti, if corruption continues the way it is now?

(Loud consultations)

Mr. Speaker: The Minister cannot follow the question by the hon. Member because there is too much consultation in the House. Can we, please, make ourselves able to be heard? Would you like to repeat that, Mr. Nthenge?

Mr. Nthenge: Is the Minister aware that roads in Nairobi, and particularly in Dagoretti will never be good if corruption continues the way it is now?

Mr. ole Ntimama: Mr. Speaker, Sir, if the hon. Member has got specific cases involving individuals and their names, he can report that to the police.

Mr. Anyona: Mr. Speaker, Sir, I have never heard of a policy on the privatisation of roads in this country. I would like to know the meaning and interpretation of this policy, if it ever exists and its application to this country. How can you privatise roads?

Mr. ole Ntimama: Mr. Speaker, Sir, I know that some day, we will privatise the roads in this country, because we have already privatised our parastatals and the economy. But the privatisation of the roads is not now.

Mr. Kamuyu: Mr. Speaker, Sir, most of the roads listed here in the Minister's answerers are totally impassable. Before the Kenya Urban Transport Infrastructure Project financed by the World Bank commences, can the Minister order the City Council to go to Dagoretti and indeed, I would like to accompany him there if he so agrees, so that the potholes can be re-filled for the time being while waiting for the project?

Mr. ole Ntimama: Yes, I will consider that request.

Question No.111

HARASSMENT OF MS. BEATRICE YAGAN

Mr. Speaker: Dr. Lwali-Oyondi is not yet here? Next Question! Mr. Anyona!

Question No.485

ENROLMENT AT THE KENYA WATER INSTITUTE

Mr. Anyona, asked the Minister for Land Reclamation, Regional and Water Development:-

(a) what was the number of apprentices enrolled and graduated from the Kenya Water Institute between 1988 and 1995.

(b) whether he could inform the House whether the apprentices have been absorbed into employment, in accordance with the terms and conditions of the contract of apprenticeship.

The Minister for Land Reclamation, Regional and Water Development (Mr. Mohamed): Mr. Speaker, Sir, I beg to reply.

(a) The total number of apprentices enroled at the Kenya Water Institute between 1988 and 1995 is 459 while 554 students graduated from the Institute during the same period.

(b) The contract of apprenticeship under the Industrial Act Cap.237 relates to the conduct, duration and payments of apprentices while undergoing training at the Kenya Water Institute and does not guarantee employment in the Civil Service.

Mr. Anyona: I think I have a lot of respect for this Minister and I would like to take him seriously. I am just wondering whether he just comes to this Parliament and reads out mechanically things that have been written by civil servants which happen to be wrong. That answers part (a) of the Question. He talked about 459 having been enrolled and then 554 having graduated! How is that? Can he give us the breakdown for all those years? Or he has not seen that error and the civil servants want him to make a fool of himself on the Floor of the House?

Mr. Mohamed: Mr. Speaker, Sir, I am sorry for that typographical error. I agree with the hon. Member. 554 students were enrolled and 459 graduated.

Mr. Anyona: On the second part of the answer, the Minister is talking about the duration on which the contract ought to cease. If you read that contract, it includes guarantee of employment. Even in the advertisements that are put out to invite applications, it is clearly spelt out how these people will be absorbed and how they will be promoted from grade to grade. Can this Minister now table that document to support what he is saying here? Otherwise I will have to table it but I do not want to embarrass the hon. Minister.

Mr. Mohamed: Mr. Speaker, Sir, there was a general circular from the Government issued out in 1991 that graduands from the Water Institute were not going to be absorbed into the Civil Service, because of the retrenchment which was taking place. Therefore, what the Government was doing was to train these people and subsequently release them to the market, because the Government was not in a position to absorb all of them.

Mr. Anyona: Mr. Speaker, Sir, the Minister has denied that the agreement guarantees employment and I have asked him to table that document here to prove what he is saying. But now, he is telling us a different story. If he is not able to do it, I will table it myself.

Mr. Mohamed: Mr. Speaker, Sir, I did not come here with that letter from the personnel department. What I am alluding to is a Government policy. I do not have a document here. What I have is an answer.

Mr. Anyona: On a point of order, Mr. Speaker, Sir, you can see that the Minister has evaded answering the question. If he does not have the document, where does he get the information that there is no guarantee of employment? I would beg the indulgence of the Chair and the House to be allowed to table those documents tomorrow.

Mr. Mohamed: Mr. Speaker, Sir, I am not avoiding answering the question. What I am saying is that the Government has released a circular to all Government Ministries restricting employment in the Civil Service, following the ban on the recruitment of additional employees to work with the Government. The Ministry did not hire any new staff until 1995, when a special appeal was made to the Director of Personnel Management to allow replacement of personnel who have left the Ministry, where provision of services were being affected. If I may give the breakdown of what has happened since 1988, 129 students--

Mr. Speaker: Mr. Mohamed, we have a lot to do. You can discuss that privately with the hon. Member. Let us go to the next Question. Mr. Njenga Mungai!

Question No.700

RESTORATION OF WATER SUPPLY

Mr. Speaker: Mr. Njenga Mungai is not here? Next Question!

Question No.783

RELATIONSHIP BETWEEN KANU AND MYWO

Dr. Otieno-Kopiyo asked the Minister for Culture and Social Services:-

(a) what is the relationship between Kenya African National Union (KANU) and the Maendeleo Ya Wanawake Organisation; and,

(b) whether she is further aware that the Maendeleo Ya Wanawake elections were rigged in favour of a KANU activist for the post of a Chairperson.

The Minister for Culture and Social Services (Mrs. Mwendwa): Mr. Speaker, Sir, I beg to reply.

(a) There is no relationship between the two, because KANU is a political party while Maendeleo Ya Wanawake is a non-profit making women development organisation.

(b) The recent Maendeleo Ya Wanawake Elections were not rigged in favour of a KANU activist for the post of the Chairperson.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, I thank the Minister for this beautiful answer. Everything about this Minister is always very beautiful, even her signature on this paper is beautiful. But the answer in this case is absurd because the Minister's own candidates in this election was rigged out and she walked out of the meeting hall fuming, and it is known.

(Applause)

The other thing is that *Maendeleo ya Wanawake* was "married" to KANU and it used to be called KANU/*Maendeleo ya Wanawake*. Even Central Organisation of Trade Union (COTU) was KANU/COTU. When did the "marriage" between KANU and *Maendeleo ya Wanawake* come to an end? When were they "divorced"?

Mrs. Mwendwa: Mr. Speaker, Sir, first and foremost, I would like to tell the hon. Member that I did not have any candidate because all the candidates were ladies of this country.

Secondly, if there was any marriage between KANU and *Maendeleo ya Wanawake*, the divorce was done and was permanent. So there is no marriage.

(Applause)

Mr. Munyasia: Mr. Speaker, Sir, is the Minister aware that KANU/*Maendeleo ya Wanawake* Bungoma Branch is working from the same office with KANU Bungoma branch? They are sharing one office. Yesterday, His Excellency the President had even to go over to KANU/*Maendeleo ya Wanawake* to sign the visitors' book there. Is she aware that, that is happening?

Mrs. Mwendwa: Mr. Speaker, Sir, first and foremost, I see nothing wrong with two organisations using two different offices, But I am not aware of any *Maendeleo ya Wanawake* branch and KANU working together. But I think it is in order if they are sharing offices under the same roof, but different offices.

Mrs. Kiliku: Mr. Speaker, Sir, from the way the Chairman of KANU, Mombasa District, behaved during the recent elections of *Maendeleo ya Wanawake*, one would think he was one of the contestants. When the results were announced, the ladies from Jomvu Ward who won the elections had their names replaced by the losers. Could the Minister assure this House that she is going to rectify what happened? Those women were elected, but different names were announced during the announcement of the results.

Mr. Mwendwa: Mr. Speaker, Sir, first and foremost, the women organisation, *Maendeleo ya Wanawake*, reject interference of men in their own organisation. So, if any man, be they a Member of parliament or---

Mr. Kiliku: Mr. Speaker, Sir, I am speaking in my capacity as the Member of Parliament for Changamwe, and I represent even those women in *Maendeleo ya Wanawake*.

(Applause)

Mrs. Mwendwa: Mr. Speaker, Sir, I was saying that the women do not want any interference from men, even if you are a Member of Parliament. Secondly, I have not received any complaints from any women about their elections. So, I do not think hon. Kiliku should complain on behalf of the women. They can complain for themselves.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, it is common knowledge that women complain to men.

(Laughter)

Mr. Speaker: Order, hon. Salat's corner! Will you repeat your question, Dr. Otieno-Kopiyo?

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, I have not asked the question. I was only commenting that it is normal that--Is it a new regulation under the Minister, whom I admire very much---

Hon. Members: Ah! Ah!

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, my question is: Now that KANU and *Maendeleo ya Wanawake* are "divorced" permanently, could we also ask the Minister to assure the House that the activities of the two organisations are going to be separate permanently?

Mrs. Mwendwa: Mr. Speaker, Sir, I do not need to assure the House because, as we are talking here, the activities of the two are separate.

Mr. Speaker: Hon. Shikuku's Question for the second time!

Question No. 794

REINSTATEMENT OF AMUKURUS

Mr. Speaker: Is Mr. Shikuku still not in the House. The Question is dropped.

(Question dropped)

Mr. Speaker: For the second time, Rev. Ommani's Question.

Question No.460

LOSSES INCURRED BY SUGAR-CANE FARMERS

Rev. Ommani asked the Minister for Agriculture, Livestock Development and Marketing:-

- (a) whether he is aware that cane farmers incur losses when their cane spills while being transported to the factory;
- (b) if he is further aware that cane farmers are over-taxed through levy and other charges; and,
- (c) what plans he has to help the farmers minimize losses as a measure to encourage cane farming in the country.

The Assistant Minister for Agriculture, Livestock Development and Marketing (Mr. Maundu): Mr. Speaker, Sir, I wish to apologise to the House for not being in the House when this Question was called for the first time.

I beg to reply.

(a) I am aware that some limited quantities of cane do drop along the way from the fields to the factory. These are, however, isolated cases attributed to poorly maintained roads, overloading, inefficient operation of cane haulage equipment, short cane that cannot be bundled securely and occasional accidents. All these are issues that need to be addressed at the local level, particularly through dialogue between out-grower companies, transport firms and factory management. Collaboration between all these stakeholders have been initiated through my Ministry and this matter is being pursued.

(b) Besides the presumptive tax, the only other tax that I am aware of that cane farmers are levied is a cess of one per cent of the gross proceeds by the local authorities.

(c) My Ministry has initiated the formation of a sugar research foundation to look into ways of increasing productivity per hectare, and reduce the production cost at the farmers' level. This will be funded by the sugar development fund within the industry.

In addition, my Ministry, through the Kenya Sugar Authority is funding road maintenance by sugar companies so as to improve transport and thus curb losses through spillage.

Rev. Ommani: Mr. Speaker, Sir, arising from the answer given by the Assistant Minister, this cane spills from here and there and reduces the tonnage of the cane for which the farmer is paid. Would the Assistant Minister order the companies to weigh the cane on the farm so that the spilled cane does not reduce the tonnage when the cane arrives at the factory so that the farmers gets his pay in full?

Mr. Maundu: Mr. Speaker, Sir, this matter is being looked into because it has been a thorny question. But we are encouraging the out-growers company to liaise with the various sugar companies involved to find a lasting solution to this problem. Apart from the encouragement, we are also looking into ways in which we can improve the transport equipment so that there is not so much wastage of the sugarcane that is being ferried from the farms.

Rev. Ommani: Mr. Speaker, Sir, is the Assistant Minister aware that while the cane cutters pay transportation costs, the cost of fertilisers and the interest have all increased, the price of cane has not increased in years? What is his Ministry doing to help the farmers get the current pay due to them?

Mr. Maundu: Mr. Speaker, Sir, the sugar companies have taken into account all these particular expenses and the current price that is given to the farmers is commensurate to the production cost and inputs that are applied. At the moment, the price is Kshs1,553 per ton, which is deemed as reasonable for the sugar farmers.

Mr. Speaker: Hon. Sifuna's Question for the second time.

Question No. 452

CONTRIBUTION TO SUPERNATION FUND

Mr. Speaker: Is Mr. Sifuna in? The Question is dropped.

(Question dropped)

Mr. Speaker: Dr. Lwali-Oyondi's Question for the second time.

Question No. 111

HARASSMENT OF MS. BEATRICE YAGAN

Mr. Speaker: Dr. Lwali-Oyondi is still not in? The Question is dropped.

(Question dropped)

Mr. Speaker: Hon. J.N. Mungai's Question for the second time.

Question No. 700

RESTORATION OF WATER SUPPLY

Mr. Speaker: Is Mr. J.N. Mungai not in? The Question is dropped.

(Question dropped)

QUESTIONS BY PRIVATE NOTICE

COMPENSATION TO FAMILY OF
LATE PAUL OUMA AGO

Mr. Karan: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

(a) Is the Minister aware that the family of the late Paul Ouma Ago of Border II Sub-location, Awasi Location in Nyando Division, Kisumu District, Victim No.226, as per O.B. at the D.O.'s Office, Likoni, who died in Mtongwe Ferry disaster is not included for payment of compensation sum released by the Government on 19th November, 1996?

(b) Is he further aware that the body of the late Paul Ouma Ago was positively identified by a Mr. Livingstone Omondi ID/No.10843062/73 who led dispatch crew from Mombasa Stadium to Awasi Border II Sub-location, Angoro Village where the body was buried?

(c) If the answers to "a" and "b" are in the affirmative, what immediate steps is the Minister taking to ensure that Mr. Michael Otieno Sidigu (the next of kin of the late Mr. Ago) is paid compensation?

The Assistant Minister, Office of the President (Mr. Sunkuli): Mr. Speaker, Sir, I beg to give the following reply.

(a) I am not aware.

(b) Yes, I am aware.

(c) Details of the deceased's district of origin were not available since all letters addressed to the father, Mr. Samuel Ago Okinyi, were never replied to. However, the money was paid to the District Commissioner, Kisumu, on 26th November, 1996, for onward transmission to the beneficiaries.

Mr. Karan: Although part "c" of the answer given by the Assistant Minister appears to be slightly satisfactory, it is surprising to note that the Assistant Minister is claiming that the district of origin of the deceased was not known to them while all the details of the deceased were given at the DO's office at Likoni and that was what enabled them to transport the body to Nyando Division. Can the Assistant Minister confirm or deny that it was a deliberate attempt to exclude these people from getting these benefits?

Mr. Sunkuli: I must confirm here that the hon. Member's Question assisted me in actually identifying

where the money should be sent. In fact, I must be very grateful to the hon. Member, but there was no attempt at all to deliberately exclude him from getting these benefits.

Mr. Speaker: Alright, that ends well. The Question by hon. Murungi is deferred to Thursday.

ALLOCATION OF BUS PARK

(Mr. Murungi) to ask the Minister for Lands and Settlement:-

- (a) Is the Minister aware that Mr. Jenaro Gikunda has been allocated the bus park at Nkubu Market?
- (b) Is he further aware that KANU youthwingers in South Imenti have threatened to physically beat him up, and destroy whatever structures he puts up on the said plot?
- (c) What steps is the Minister taking to avert this explosive situation?

(Question deferred)

We now move to Mr. Moiben's Question.

PROVISION OF MEDICAL SERVICES IN SABOTI DIVISION

(Mr. Moiben) to ask the Minister for Health:-

- (a) Is the Minister aware that residents of Saboti Division are suffering due to lack of adequate medical services?
- (b) How much money has the Ministry allocated to Saboti Health Centre?
- (c) When will it be operational in order to provide vital medical services to the wananchi?

Mr. Speaker: Is Mr. Moiben not here? The Question is dropped.

(Question dropped)

We will move on to the next Order.

MINISTERIAL STATEMENT

LEGAL FIRMS OWING MONEY TO CITY COUNCIL

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, Sir, arising out of the Question that was asked by hon. Kiraitu Murungi, the Member for Imenti South, which among others, a supplementary question, he wanted to know how much money each lawyer has collected for Nairobi City Council. The House ordered me to bring this list of lawyers and lay it on the table.

The list that I am going to read is that of legal firms which were given contracts by the Nairobi City Council, collected money and have not remitted the amount of money that I am going to read out to you.

1. Messrs Njoroge & Musyoka	-	122,503,286.75
2. Messrs Mareka and Co.	-	354,348,802.35
3. Messrs Amolo and Gacoka	-	36,155,830.85
4. Messrs Meenye and Co.	-	43,510,820.60
5. Messrs Musyoka and Wambua -	22,187,584.60	
6. Messrs A.G.N. Kamau & Kimani	-	6,103,055.30
7. Messrs Genda & Co.	-	4,220,653.10
8. Messrs Mwinga & Co.	-	7,925,152.30
9. Messrs Mjogu & Ngugi	-	3,835,850.10
10. Messrs F.O. Abaja & Co.	-	1,684,699.10
11. Messrs V.A. Nyamondi & Co. -	1,973,942.05	
12. Messrs Otieno Opiacha & Co. -	2,379,164.80	
13. Messrs Hayanga & Co.	-	694,624.50
14. Messrs Kiragu & Co.	-	3,275,441.55
15. Messrs Waruinge & Waruinge-	855,123.60	
16. Messrs Musyoka Annan & Co.-	409,726.80	
17. Messrs Kirundi & Co.	-	3,162,294.00

18. Messrs Kembi & Muhia	-	11,728,517.55
19. Messrs Kagia Gitura & Co.	-	13,419,259.00
20. Messrs Kembi Gitura & Co.	-	9,920,033.85
21. Messrs Kabarú & Co.	-	9,259,155.40
22. Messrs Onalo & Co.	-	11,816,691.55
23. Messrs. G.E.O Oluochi & Co.	-	6,279,360.00
24. Messrs Mbari Kioni & Co.	-	16,468,995.90
25. Messrs Lumumba & Ojwang' & Co.	-	722,380.75
26. Messrs A.L. Shiganga & Co.	-	6,133,197.25
Total	-	716,135,643-60.

Mr. Speaker: Just before you sit down, did you read Kaparo and Company or somebody else?

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, Sir, the name is Kabarú and company.

Mr. Muite: On a point of order, Mr. Speaker, Sir. Of course, this is a very serious matter and, in the legal circles, the whole list of those lawyers that have been read out constitute what is commonly known as "politically-correct KANU lawyers." What action is the Minister taking to enlist the services of the Attorney-General, who is also an hon. Member of the same Cabinet, in order to effectively recover this money very quickly because the Minister has said the money has actually been collected and it is the lawyers who have not remitted it to the City Council? Why have they not been prosecuted?

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, this is already a very serious affair, and Nairobi City Council is not able to give services to the people of Nairobi because this money is being held by these lawyers. I can assure the hon. Member that we are going to consult the Attorney-General, the Law Society of Kenya and everybody concerned, to make sure that we do something about getting this money remitted to Nairobi City Council.

Mr. Nthenge: Mr. Speaker, Sir, as the hon. Member for Nairobi, Nairobi residents have been having a big problem because of poor services caused by these lawyers' failure to remit this money.

On behalf of all hon. Members for Nairobi, we ask the Minister, if possible, to put these lawyers into custody so that they can remit the money to the Nairobi City Council so that the Council can offer service to wananchi?

Mr. Speaker: The last chance, I will give to Mr. Maore, on behalf of Mr. Murungi, who raised the issue.

Mr. Maore: Mr. Speaker, Sir, it is true that the bunch of lawyers that has been mentioned by the Minister, and I can understand his problem because they are kind of gang that is politically-correct. These are the kind of lawyers who never go to court. They are what is called in legal profession "seat sacks" like Mereka & Company, they use the same money to corrupt our judiciary. What actual measures has the Minister instituted, not what he intends to do, or put in place to ensure that Kshs716 million plus has been recovered? What action has been put up to show that the Ministry is serious about it because this money is going to be donated in State House by Mereka & Company and the others, and then you will be going to keep on being verified by the operatives from the State House?

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, I think I have made a very clear statement that we are going to take this one seriously. But we would like the hon. Members on both sides of the House to help us by making this matter public in the country so that everybody knows where Nairobi City Council has lost its money to, and probably, through this pressure from the politicians of this country, we might soften them or punch them to make sure that they remit this money as soon as possible.

Mr. Speaker: Next Order!

Mr. Falana: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, hon. Members! This matter was supposed to be tabled for the House to see the names, it was not supposed to be continuation of the debate. I have given a fair amount of audience to hon. Members to seek clarification from what has happened. I do appreciate, hon. Falana, that I have not given a chance to that side, but that does not waive the rules that you should talk to me when I am on my feet. So, can we go on to the next Order?

Mr. Ruhui: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order! It is time now for us to go on with another business of the House.

Mr. Ruhui: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Ruhui! Order, hon. Members! I appreciate the anxiety and I take also cognisance of Mr. Ruhui and I only urge him, if he really gets agitated about this issue, the Chair will be very understanding, particularly to give him an avenue to ventilate properly on this issue. If he can bring a Motion or

another question or a different thing, I will allow, but we cannot continue now *ad infinitum*. Do you understand, Mr. Ruhiu?

Mr. Ruhiu: Mr. Speaker, Sir, it is a very important point of order!

Mr. Speaker: Order! Order! The Chair does understand the particular condition of Mr. Ruhiu. I do not intend to make him feel upset because of his particular circumstances, what is it Mr. Ruhiu?

(Laughter)

Mr. Ruhiu: Mr. Speaker, Sir, it is important that I must rise on this point of order. I am an hon. Member for Nairobi, Nairobian are suffering, City Hall is falling and so on. I want to know from the Minister, if these lawyers are going to repay that money to the City Council plus the interest accrued at bank rates? And we have a further list which he did not produce which hon. Kamuyu has got because he did not mention hon. Wetangula.

The Minister for Local Government (Mr. ole Ntimama): With all due respect to "Sir" Henry Ruhiu, I want to say that we are, definitely, going to follow and be sure that the money by these lawyers is remitted to Nairobi City County.

Mr. Speaker: Next Order now!

Mr. Falana: On a point of order, Mr. Speaker, Sir. Hon. Muite, as the first to react to this issue, made a very categorical statement or allegation associating these lawyers with KANU. I do not know whether the Minister missed that part or he purposely decided to ignore it, or it is true, as they say "silence is consent"? If these lawyers are not remitting money or looting money from Nairobi City Council or perhaps they are looting it for KANU--- This allegation has a lot of connotations and it is a very serious allegation. Could the Minister be asked to clarify that issue because, if these lawyers are KANU lawyers, which is the ruling party, or if they are looting the public for KANU, we want him to come out clear because, as KANU members, we are not aware that these lawyers are looting for KANU.

An hon. Member: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, hon. Members! If you really want this House to be taken seriously then you must take yourself seriously and the Chair will not tolerate hon. Members not behaving according to the rules. Do you want to comment or do I go to the next Order?

The Minister for Local Government (Mr. ole Ntimama): Mr. Speaker, Sir, I have no information that any of those lawyers has anything to do with KANU as a party.

An hon. Member: On a point of information, Mr. Speaker, Sir.

The Minister for Local Government (Mr. ole Ntimama): No, Mr. Speaker, Sir. I think we are really extending---

Mr. Speaker: Order! Order! Next Order!

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[Mr. Speaker left the Chair]

IN THE COMMITTEE

[Mr. Chairman took the Chair]

THE FINANCE BILL

(Clauses 2 and 3 agreed to)

Clause 4

Mr. Muite: Mr. Chairman, could I know from the Assistant Minister for Finance, on Clause 4, page 23, where he is seeking to legalise the inspection of goods, since this appears to be legitimisation or legalising what has been going on before, can he tell this House under what authority under the law, SGS and the other companies that have been inspecting these goods have been operating, since you are now seeking authority for them to be operating

in future? Under what authority in the past have they been operating?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, the Minister for Finance in every Finance Bill, has overriding powers, and before bringing things into Parliament, he can regularise these matters through Ministerial orders, and that is where this has happened.

Mr. Muite: By what authority?

The Assistant Minister for Finance (Mr. Keah): By the authority of the Minister for Finance.

Mr. Muite: Mr. Chairman, I want to know the particular section under which the Minister has been acting. This is the section that gives him the legal power. The Assistant Minister is talking in generality, but I want him to tell this House, the particular section in the particular Act under which he has been acting in the past. The Minister does not have general powers to issue orders. The Minister's powers can only stem from a Section of an Act of Parliament.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, I said to the House that this has been done under general powers.

Mr. Maore: Mr. Chairman, if you look clearly, this is an insertion of a new clause---

The Chairman: Which one?

Mr. Maore: The insertion of 127(d), which talks about pre-shipment inspection companies or goods. The issue is that those companies have been here, and the issue that we are pursuing, Mr. Assistant Minister, is, please, handle it carefully. They have been in this country and getting two per cent of every item you import according to its value, and we want to know whether they are paying "kickback" to the officials in the Treasury, or whether they have been operating under any rules. Under what law have they been operating? Is it the volume of business which has been good, or has it been banned? Just tell us that and then we continue.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, there has been no two per cent or any percentage going back to the officials of the Treasury. Under the Customs Act, the Commissioner of Income Tax has powers to appoint agents to act on behalf of the Commissioner of Income Tax, and it is under this Act where there are the general powers under which these agents have been appointed from year to year. We are now seeking to regularise this under the Finance Bill and, hence, the introduction of it here. But it is under the Customs Act.

Mr. Muite: It is under which section of the Act?

The Assistant Minister for Finance (Mr. Keah): I will have to check the Section in the Customs Act.

Mr. Chairman: You are really bothered about the past and not the present provision in the Act?

Mr. Muite: No! No! Mr. Chairman, we are bothered about the practice of this Government of asking---

Mr. Chairman: Order! What is before us is a specific---

Mr. Muite: We are now legalising!

Mr. Chairman: The Bill before us?

Mr. Muite: Yes.

Mr. Chairman: As far as I am concerned, is the clause in question a new insertion?

Mr. Muite: Yes, it is a new clause altogether giving powers, for the first time---

Mr. Chairman: The quarrel seems to me to be that, what the clause is purporting to do has been done in the past?

Mr. Muite: Precisely! I wanted to know the precise section. You will recollect that the Assistant Minister said the Minister has general powers. Now, he has talked about the Customs Act. I want to know the section in the Customs Act under which the Minister has been acting.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, my officers are looking at the specific section of the Customs Act, and before the end of the Session, I will explain this. But, under the Customs Act, the Commissioner has powers to appoint agents to work on behalf of the Commissioner of Customs, as well as the Treasury, for this particular purpose. It is under that jurisdiction that we have done so in the past. At the moment, however, let it suffice for me to explain that we are categorically specifying. If you look at the clause that is being referred to, that is, the insertion of Section of 127(d) to Cap. 472, we are saying that the pre-shipment inspection of imported goods, notwithstanding any other provision of this Act, the Minister may, by notice in the gazette, prescribe certain imported goods.

So, he can prescribe certain imported goods. For this reason, we are having, and we carry on to say: The Commissioner may appoint any person for the purpose of conducting pre-shipment inspection of the goods. So, we are categorising the goods and we are still giving the Commissioner the authority. But in the past, the Commissioner has had authority to appoint an agent for the Commissioner, to do this work.

Mr. Maore: On a point of order, Mr. Chairman. I think we are just where we began. The question we wanted to ask was very simple. We are not going to turn this country into a Christmas cake to give to international

mafia. We are asking how much money companies like SGS, COTECNA and others have siphoned out of the country, and under what rule. That is our interest.

(Clauses 4, 5, 6, 7 and 8 agreed to)

Clause 9

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I wish to propose an amendment to Clause 9, which is:

THAT, Clause 9 be amended in paragraph (b) by inserting the following new paragraph immediately after sub-paragraph (v). That will now be paragraph (vi), by inserting the following new item immediately after item 35.

36. *Equipment for Electric Power Generation* Capital equipment, excluding motor vehicles and office equipment for privately financed electric power generation projects with capacity to sell electricity into the national grid:

Provided that an exemption granted under this item shall, unless earlier revoked, expire on the 31st of December, 1999.

Dr. Kituyi: Mr. Chairman, Sir, considering that there are provisions in the Customs and Excise Act, which allow the Assistant Minister, on a case to case basis, to waive the duties through a publication in the Kenya Gazette over the importation of capital goods for a specific project, why has the Assistant Minister found it necessary to seek an amendment of Clause 9 of the Bill, to allow for importation of equipments which seem to be capable of generating power for the grid system, even when it is not possible to automatically access to the duty waiver? Why has he found it necessary to reduce his supervisory powers?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, as I explained during the debate, the reason why we found it necessary to exempt the duty is simply because at the moment, the economy of this country is suffering a severe power shortfall. We have many power interruptions and we want to encourage entrepreneurs and people in the economy to import generators so that individuals and corporations can import generators. This will help to reduce the load demand on the grid system and also help industries have power throughout.

(Question of the amendment proposed)

Dr. Kituyi: On a point of order Mr. Chairman, Sir. Is the Assistant Minister in order to mislead the House by suggesting that he wants to encourage people to import generators for their own use to reduce demand on a national grid through these amendments, when the amendment will only apply to those importing generators with a capacity to sell electricity into the national grid?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, this is intended to increase the power in the national grid. That is the objective of this amendment and we will do it up to 1999, simply because the shortfall is being experienced now. As I said last time, we will review this situation come 1999. There are other measures we are making to ensure that the national grid is strengthened by other actions that are at the moment being taken care of.

Prof. Anyang-Nyong'o: Mr. Chairman, Sir, would it not be in order or better for the Assistant Minister to specify the capacity of the equipment that is supposed to generate electricity and to sell it in the national grid? This then will allay fears of the hon. Members who believe that this amendment is supposed to make possible the large-scale importation of generators which will not only introduce a lot of noise pollution in the city as, indeed, is the case in Lagos so that this will only apply to capital equipment of a certain capacity capable of selling electricity to the national grid. Would it not be better to specify the capacity of this capital equipment required so that hon. Members are not worried about the surreptitious importation of generators?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I take note of the concern of hon. Prof. Anyang-Nyong'o. If it becomes necessary to specify the capacity of the plant that is being imported, we will do so, but at this point in time, we do not consider it necessary for it to be part and parcel of law.

Mr. Muite: Mr. Chairman, Sir, could we have an assurance from the Assistant Minister that, when these two companies - one Indonesian and the other Spanish - have been given the contracts to generate electricity. So, when those contracts were signed, was that done on the basis that the capital equipment they would be importing will be exempted from tax, or is this now a windfall that is being brought after those contracts have been signed? If so, does the Assistant Minister accept that this is a way of promoting corruption?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, there is absolutely no intention to

encourage corruption. At this point in time, all I can say is that when this Bill becomes law, it will take into account all the necessary conditions.

Mr. Muite: On a point of order, Mr. Chairman, Sir. I had asked a very specific question. This exemption, if this Bill becomes a law, will bring in a very large windfall to these two companies. I want to know whether when these two contracts were signed, this element of the money that they are now going to gain was taken into account or it was not taken into account? Which is which? The House is entitled to know.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, we are talking about importation here, and at this point in time we have not imported any equipment and any equipment imported after the passing of this Bill will certainly enjoy the privileges contained in this Bill.

Dr. Kituyi: Thank you, Mr. Chairman, Sir. I assume the Assistant Minister is acting in good faith. Because he wants to abandon the tradition of publishing a waiver, an exemption in the Kenya Gazette as has always been done, in order to encourage many importers, could he amend the proposed amendments? So that instead of the words "with capacity to sell it" reads "power generation projects aiming to sell electricity into the national grid." He does not know that the exemption is only applying to those who are expressly known to be planning to sell to the national grid, otherwise, this is dangerous.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I have heard what he has proposed. We have no intention of making the changes because in proposing these amendments, we took that point into consideration.

(Question, that the words to be added be added, proposed)

(Question, that the words to be added be added, put and agreed to)

(Clause 9 as amended agreed to)

(Clauses 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22 agreed to)

Clause 23

The Assistant Minister for Finance (Mr. Keah) Mr. Chairman, Sir, I beg that to move:-

8. THAT, clause 23 be amended in paragraph (a) by deleting item 8 and inserting the following new item -
Services supplied by hotel establishments to foreign travel and tourism promoters undertaking a tour in the promotion of tourism in Kenya provided that the tour is recommended by the Director of Tourism and conducted in conjunction with local tour associations in accordance with a predetermined written itinerary.

(Question of the amendment proposed)

Mr. Muite: Mr. Chairman, Sir, is the Assistant Minister being entirely fair to the local tour operators most of whom also will be able to arrange for their clients to come here? Why can the same exemption not be extended to the local tour operators in order to put them at parity with the foreign ones?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, we are here trying to make the services under this particular clause as wide as possible. We are extending this as wide as possible and the reason that we are giving this to the foreign travel and tour operators --- But we are saying "in conjunction with local tour associations". It is in conjunction with local tour associations. So, I think, his concern has been taken into consideration.

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 23 as amended agreed to)

(Clauses 24, 25, 26 and 27 agreed to)

Clause 28

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman Sir, I beg to move:-

THAT, clause 28 be amended by deleting paragraph (b) and inserting the following new paragraphs -

(b) in subsection 2A -

(i) by deleting subparagraph (vi) of paragraph (b) and inserting the following new subparagraph -

(vi) in the year of income commencing on or after the 1st January, 1995, such interest rate based on market lending rates as the Commissioner may from time to time prescribe, to cover a period of not less than six months but not more than one year.

(ii) by inserting the following new definition in subsection 2A -

"market lending rates" means the average 91-day treasury bill rate of interest for the previous quarter".

(c) by inserting the following new subsection -

(5) Notwithstanding any other provision of this Act, the value of the benefit for the purposes of this section, except for those benefits mentioned in subsections (2A), (2B) and (3), shall be the higher of the cost to the employer or such value as the Commissioner may from time to time prescribe.

(Question of the amendment proposed)

Mr. Maore: Now, could the Assistant Minister explain why he has to pick on the market lending rates as a basis for his own operations rather than having a specific rate which may not be buried by the forces of the market for example, on a weekly or monthly basis? Why do you have to do something ambiguous and unpredictable rather than a specific one?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, this is merely to give the Commissioner guidance in determining the prescribed rate of interest. It is really an administrative or a managerial aspect.

(Question, that the words to be left out be left out, put and agreed to)

(Question, that the words to be inserted in place thereof be inserted, put and agreed to)

(Clause 28 as amended agreed to)

(Clauses 29, 30, 31, 32, 33, 34 agreed to)

Clause 35

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman Sir, I beg to move:-

THAT, clause 35 be amended by deleting the word "person" and inserting "individual" for the simple reason that "person" could include an incorporated company whereas "individual" is specifically a natural person

(Question of the amendment proposed)

(Question, that the word to be left out be left out, put and agreed to)

(Question, that the word to inserted in place thereof be inserted, put and agreed to)

(Clause 35 as amended agreed to)

Clause 39

Mr. Muite: Mr. Chairman, Sir, I would like to draw the attention of the Assistant Minister to Clause 39 where the term "person" also appears. Does he also wish to consider amending it to read "individual"? The Assistant Minister has amended clause 35 in order to clarify that they are talking about the individual; *homo sapiens*. I am asking whether by parity of reasoning he does not wish to amend clause 39 to say that the set-off of import duty shall only be made against income tax paid on the income of the "person" who incurs. That also could be an incorporated company.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, this particular one really does not have any specific issue as such. This is because, we are looking at Clause 39 where we say:

"Clause 39 of the Income Tax Act is amended in Sub-section one."

And we go down to say:-

"The remainder of the import duty after having been applied in accordance with paragraph six of this provision shall be applied to reduce the person's final tax liability for the following and subsequent years of income."

This is income tax and under income tax, there are both corporations as well as individuals.

Mr. Maore: Mr. Chairman, Sir, I would like to have clarification about the application of Clause 41; the keeping of records of receipts and expenses. I am on the issue of so many businesses that do not issue receipts and those that do issue receipts, there is no regular method of the income tax and VAT personnel trying to get the actual documents. What measures has the Ministry instituted to ensure that this Clause is going to be against that.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, under the Kenya Revenue Authority, we have now instituted very rigorous inspection procedures and it is only hoped that, one, through inspection we will be able to catch these people and, two, that Kenyans and the business community as a whole through the taxation measures that we have been introducing here, will learn to accept to pay their due taxes and to ensure that they actually pay those taxes and indeed issue receipts. Indeed, we passed here that every person buying any commodity which is taxable is deemed to carry VAT even where he tells you, "if you do not want a receipt it will be less" or not, it is deemed to be carrying VAT on it. So, I hope the inspection measures will in fact, bring these people to book.

*(Clauses 36, 37, 38, 39, 40, 41, 42,
43, 44 and 45 agreed to)*

Clause 46

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

- THAT, clause 46 be amended by deleting paragraph (ii) and inserting the following new paragraph -
- (ii) by deleting paragraphs (c) and (e) of item 3 and inserting the following new paragraphs respectively:-
- "(c) (i) in respect of a rent premium or similar consideration for the use or occupation of immovable property, thirty percent of the amount payable;
- (ii) in respect of rent, premium or similar consideration for the use of property other than immovable property, fifteen percent of the gross amount payable."
- "(e) (i) in respect of interest, other than interest which is deductible under paragraph 5(2)(h) of the Ninth Schedule, discount or original issue discount, fifteen percent of the gross sum payable;
- (ii) in respect of interest, arising from a bearer instrument, twenty percent of the gross amount payable."
- Mr. Chairman, Sir, we are merely simplifying the tough administration with these measures.

(Question of the amendment proposed)

*(Question that the words to be left
out be left out, put and agreed to)*

*(Question, that the words to be inserted in
place thereof be inserted, put and agreed to)*

*(Clauses 47, 48, 49, 50, 51, 52, 53, 54,
55, 56, 57, 58, 59 and 60 agreed to)*

New Clause

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

THAT, a new clause be inserted immediately after clause 2 and renumbering accordingly as follows:

Amendment of 3. Section 46 of the customs and
Section 46 Excise Act is amended in
of Cap. 472 subsection (3)

- (a) by deleting the words "two months" and inserting the words "twenty-one days", and
(b) by deleting the words "one month's notice" and inserting the words "twenty-one days" and

(Question of the new clause proposed)

(New clause read the First Time)

*(Question, that the new clause be
read a Second Time, proposed)*

*(Question, that the new clause be read
a Second Time, put and agreed to)*

(The new clause was read a Second Time)

*(Question, that the new clause be added to
the Bill, put and agreed to)*

New Clause

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

THAT, a new clause be inserted immediately after clause 5 and renumbering accordingly as follows -

Amendment of 7. Section 137 of the Customs and
section 137 Excise Act is amended in the
of Cap. 472 provision by deleting the words
"twenty-first", and inserting
the word "twentieth".

(Question of the new clause proposed)

(New clause read the First Time)

*(Question, that the new clause be
read a Second Time, proposed)*

Mr. Muite: Mr. Chairman, Sir, could the Assistant Minister explain to the House the logic behind the proposed amendment, from "twenty-first" to "twentieth"?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, the logic behind this is for consistency rather than anything else in conjunction with the rest of the Finance Act. It is really more for consistency.

Mr. Muite: Mr. Chairman, if it is for consistency, why in the proposed amendment of section 46, is the Assistant Minister asking this House to amend Clause 46 by deleting the words "two months" and inserting the words "twenty-first" days? Now, in this New Clause, he is asking us to delete "twenty-first" and to insert thereof "twentieth". Where is the consistency?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I merely said consistency, but perhaps, the word I forgot was "harmony". We are harmonising also, because we have to look at Cap. 472 in its

entirety to get that harmony.

(Question of the new clause proposed)

(New clause read the First Time)

*(Question, that the new clause be read
a Second Time, proposed)*

*(Question, that the new clause be read a
Second Time, put and agreed to)*

(The new clause was read a Second Time)

*(Question, that the new clause be
added to the Bill, put and agreed to)*

New Clause

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, I beg to move:-
THAT, a new clause be inserted immediately after clause 60 and renumbering accordingly as follows -

Replacement of the Schedule to Capt.484 thereto and replacing it with	63. The Second Hand Motor Vehicle Purchase Tax Act is amended by	deleting the Schedule the following new Schedule.
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SCHEDULE

RATE OF PURCHASE TAX

Old Rates New Rates
Kshs. Kshs.

- A. A motor vehicle with less than four wheels 250 350
- B. A motor vehicle with four wheels or more and
with an engine capacity -
 - (a) Not exceeding 1000 cc 650 900
 - (b) Exceeding 1000 cc but not exceeding 1200 cc 8001,100
 - (c) Exceeding 1200 cc but not exceeding 1500 cc 9001,250
 - (d) Exceeding 1500 cc but not exceeding 1700 cc 1,1001,550
 - (e) Exceeding 1700 cc but not exceeding 2000 cc 1,3001,800
 - (f) Exceeding 2000 cc but not exceeding 2500 cc 2,0002,800
 - (g) Exceeding 2500 cc but not exceeding 3000 cc 2,7503,850
 - (h) Exceeding 3000 cc 3,3004,600
- C. A trailer with less than four wheels 250 350
- D. A trailer with four wheels or more 8001,100

(Question of the new clause proposed)

Mr. Maore: Mr. Chairman, Sir, this kind of percentage increase of an average of 30 per cent on every item seems quite irrational. Given the fact that the expected revenue on motor vehicles has been one of the largest sources of revenue for the Government and since, we have the Kenya Revenue Authority (KRA) that is quite efficient in collecting money from so many other sources, why have this irrational figure of 30 per cent on average everywhere?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, 30 per cent increase may appear high, but if you look at the amounts, they are fairly reasonable and small. In any case, they have not been revised for a very long time. This is an appropriate time to make the increment.

(New clause read the First Time)

(Question, that the new clause be read a Second Time proposed)

(Question that the New Clause be read a second time put and agreed to)

(Question, that the new clause be read a second time put and agreed to)

(The new clause was read a second time)

(Question, that the new clause be added to the Bill, put and agreed to)

(Clause 63 agreed to)

(First Schedule agreed to)

Second Schedule:

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, I wish to propose:-
THAT, the Second Schedule to the Bill be amended -
(a) by inserting the following tariff numbers, descriptions and rates in their proper sequence-

<i>Tariff No.</i>	<i>Tariff Description</i>	<i>New Rate of Duty</i>	
1001.10.00	Durum wheat.	Shs.3.50	Per kg.
			or 25%
1001.90.00	Other wheat.		Per kg.
		Shs.3.50	
			or 25%
3907.99.00	Other polyesters, saturated in primary forms.	5%	
5902.10.00	Tyre cord fabric of high tenacity yarn of nylon or other polyamides.	5%	
5902.20.00	Tyre cord fabric of high tenacity yarn of polyesters.	5%	
5902.90.00	Tyre cord fabric of high tenacity yarn of viscose rayon.	5%	
7213.10.00	Bars and rods, hot rolled, in irregularly wound coils, of iron or non-alloy steel, containing indentations, ribs, grooves or other deformations produced during the rolling process.	Shs.2.50	Per kg.
			or 15%
7213.20.00	Bars and rods, hot rolled, in irregularly wound coils, of free cutting steel.		Per kg.
			Shs.2.50
			or 15%
7213.91.00	Other bars and rods, hot rolled, in irregularly wound coils, of iron or non-alloy steel, of circular cross-section measuring less than 14 mm in diameter.	Shs.2.50	Per kg.
			or 15%

7213.99.00	Other bars and rods, hot rolled, in irregularly wound coils, of iron or non-alloy steel, of circular cross-section measuring 14 mm or more in diameter.	Per kg. Shs.2.50	
8539.29.00	Other filament lamps, excluding ultra-violet or infra-red lamps.	35%	or 15%
8703.21.10	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity not exceeding 1000 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.22.10	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 1000 cc but not exceeding 1500 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.23.11	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 1500 cc but not exceeding 1800 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.23.21	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 1800 cc but not exceeding 2000 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.23.31	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 2000 cc but not exceeding 2250 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.23.41	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 2250 cc but not exceeding 2500 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.23.51	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 2500 cc but not exceeding 3000 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.24.10	Passenger motor cars, with spark-ignition internal combustion reciprocating piston engine, unassembled, of a cylinder capacity exceeding 3000 cc, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.31.11	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity not exceeding 1000 cc unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%	
8703.31.21	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 1000 cc but not exceeding 1500 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%	

8703.32.11	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 1500 cc but not exceeding 1800 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%
8703.32.21	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 1800 cc but not exceeding 2000 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%
8703.32.31	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 2000 cc but not exceeding 2250 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%
8703.32.41	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 2250 cc but not exceeding 2500 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%
8703.33.11	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 2500 cc but not exceeding 3000 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%
8703.33.21	Passenger motor cars, with compression-ignition internal combustion piston engine, (diesel or semi-diesel), of a cylinder capacity exceeding 3000 cc, unassembled, for assembly into complete vehicles by a vehicle manufacturer.	5%

(b) by deleting the tariff number "8720.20.90" and inserting "8711.20.90".

(Question of the amendment proposed)

Prof. Anyang'-Nyongo: Mr. Chairman, Sir, it is alright to say that these are new rates of duty. But where are the old rates? How are we supposed to make sense out of this, because, it is only by comparison that we can know whether something fair is being done or not? Can the Assistant Minister enlighten the House what the old rates are with respect to these rates, so that we can judge whether something fair is being done or not?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, these rates have got to be read together with the 1995 Act and those which would be contained therein. These rates must not be read in isolation.

Prof. Anyang'-Nyongo: Mr. Chairman, Sir, I do believe that they are fair, but the Assistant Minister could just enlighten the House by giving us some basic information by examples. If you say the new rates of duty "tyre cord fabric of high tenacity yarn of polyesters," that is very high flowing English! We do not want to just pass these things, because we are passing them, but we want to know. Mr. Assistant Minister, just give us some examples of what the increase or the reduction is.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, it has been the practice in the past, where so many rates are shown as is the case here. But I have taken note of the point hon. Anyang'-Nyong'o has mentioned and perhaps next time we will endeavour to give him the rates as they were before the amendment.

(Question, that the words to be inserted be inserted, put and agreed to)

*(Question, that the word to be left be
left out be left out, put and agreed to)*

*(Question, that the word to be inserted in place thereof
be inserted, put and agreed to)*

(Second Schedule as amended agreed to)

(Third Schedule agreed to)

Fourth Schedule

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

THAT, the Fourth Schedule to the Bill be amended -

(a) by deleting the following tariff number, corresponding description, quantity or value and rate of tax -

<i>Tariff No. or value</i>	<i>Tariff Description</i>	<i>Quantity</i>	<i>Rate of tax</i>
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1511.90.90	Other palm oil and its fractions, refined, but not chemically modified.	Taxable value	8%
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(b) by inserting the following tariff numbers, corresponding descriptions, quantity or value and rates of tax in their respective numerical order -

<i>Tariff No. or value</i>	<i>Tariff Description</i>	<i>Quantity</i>	<i>Rate of tax</i>
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2304.00.00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil.	Taxable value	8%
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2305.00.00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil.	Taxable value	8%
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(Question of the amendment proposed)

*(Question, that the words to be left out
be left out put and agreed to)*

*(Question, that the words to be inserted in
place thereof be inserted, put and agreed to)*

(Fourth Schedule as amended agreed to)

Fifth Schedule

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

THAT, the Fifth Schedule to the Bill be amended in item I by inserting the following tariff numbers and the corresponding descriptions in their proper sequence-

<i>Tariff No.</i>	<i>Tariff Description</i>
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2304.00.00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil-bean oil.
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2305.00.00 Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from extraction of ground-nut oil.

(Question of the amendment proposed)

*(Question, that the words to be inserted be inserted,
put and agreed to)*

(Fifth Schedule as amended agreed to)

(Sixth Schedule agreed to)

Seventh Schedule

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

THAT, the Seventh Schedule to the Bill be amended by numbering the existing item as (1) and inserting the following new item -

2. Delete the following tariff numbers, and their corresponding descriptions, quantity or value and rates of tax -

0401.10.00	0401.20.00	0401.30.00	0402.29.10	0402.99.10	1001.10.00	1001.90.00
	1005.90.00	1006.20.00	1006.30.00	1006.40.00		1101.00.10
	1102.20.00	1905.90.30				

(Question of the amendment proposed)

*(Question, that the words to be inserted be inserted,
put and agreed to)*

(Seventh Schedule agreed to)

(Eighth Schedule agreed to)

Ninth Schedule

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move:-

THAT, the Ninth Schedule to the Bill be amended in Part B by inserting the following new item after item 24-

25. Equipment for Electric Power Generation

Capital equipment, excluding motor vehicles and office equipment, for privately financed electric power generation projects with capacity to sell electricity into the national grid:

Provided that the zero-rating granted under this item shall, unless earlier revoked, expire on 31st December, 1999.

(Question of the amendment proposed)

Mr. Maore: Mr. Chairman, Sir, we would like to have some clarification from the Assistant Minister in relation to the amendment of part B of the Act to provide for zero-rating. This is on page 420 of the Bill, motor vehicle speed governors, speed recording devices and accessories. It seems that this Bill was published some time in May/June 1996 when some "scavengers" were trying to organise a deal with M/s Infor Radar and M/s Corona. Now that the Ministry of Transport and Communications has declined these devices what is the rationale of having them in the Bill we are debating?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I have just proposed an amendment

on the ninth schedule, and I thought it is the one we are discussing. The amendment is about VAT on the equipment for electric power generation!

The Chairman: Mr. Keah, surely the whole of the ninth schedule is before the House!

The Assistant Minister for Finance (Mr. Keah): Thank you, Mr. Chairman for that clarification. May I ask hon. Maore to repeat his question.

Mr. Maore: Mr. Chairman, Sir, next time he should listen, whether he likes the question or not, and get it. I was trying to ask the rationale of having these speed governors, speed record devices and accessories on page 411 of the Bill. The inclusion of these items must have been conceived at a time when some "scavengers" in the Ministry of Transport and Communications were organising to have a multi-billion project---

The Chairman: Mr. Maore, the reference to citizens, even if they are not members of this House, as scavengers is unparliamentary. Will you withdraw it?

Mr. Maore: Mr. Chairman, Sir, I withdraw it. But I was trying to explain the conduct of those men who have a habit and an obsession to reap where they have not sown, or to go where public money is involved. Why do we have this clause in this Bill at this hour when the Ministry has already withdrawn those projects?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, the issue of speed governors is one of safety on our roads. I think we considered it appropriate to provide for them because we are concerned about safety on our roads. If the hon. Member wonders why we have provided for it now, let me say that I suppose that we have just got wiser.

Mr. Maore: Mr. Chairman, Sir, in the months of April, May, June and July, there were those conceptions to create these two projects and they were being done for some specific individuals. Are you doing it for everybody now?

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I know he is insinuating that there is a correlation between the idea of the Speed Governors that was mooted here--- But when legislating for something, these matters come up, they are discussed, debated, digested and when found appropriate, they are converted into laws as we are doing now.

Mr. Muite: Mr. Chairman, Sir, Item 15 on Page 421 - Jet Fuel and Aviation Spirit for use by cargo carriers uplifting only goods for export from Kenya. Considering the need to promote horticultural export by air, does the Assistant Minister consider that, given the fact that over 75 per cent of the cargo carried by air is actually carried by passenger air crafts which also carry cargo? This is a benefit which should perhaps be extended to all the carriers because there is a very great need to really lower the cost of the exports of horticultural exports, which is the only thing that is holding back the spiralling of income to this country. I should declare my personal interest in accordance to the rules of this House, because I do export flowers. But this is a benefit which should be extended across the board. As long as a particular air craft is carrying a particular tonnage then, this is an exemption that should be given. I can guarantee this Government that the income will double within no time from horticultural exports.

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I want to grant the point that hon. Muite has raised, that perhaps consideration should be given also not just to designated cargo carriers, but also to the carrying of cargo through passenger carriers. At this point in time, I am not willing to concede to that point here but I have taken note and we will consider that in due course.

*(Question that the new clause be read a
Second Time put and agreed to)*

(The new clause was read a Second Time)

*(Question that the new clause be added to the
Bill put and agreed to)*

(Schedule agreed to)

(Title agreed to)

Clause 1:

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I wish to propose:
THAT, clause 1 be amended by deleting paragraph (e) and inserting the following new paragraph

"(e) sections 2 and 3 on the 1st December, 1996";

(Question of the amendment proposed)

*(Question that the words to be left
out be left put and agreed to)*

*(Question that the words to be inserted in
place thereof be inserted put and agreed to)*

(Clause 1 as amended agreed to)

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, Sir, I beg to move that the Committee do report to the House its consideration of the Finance Bill and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

*(The Bill was accordingly read the
Third Time and passed)*

THE APPROPRIATION BILL

(Clauses 2 and 3 agreed to)

(Schedule agreed to)

(Title agreed to)

Clause 1:

Mr. Muite: Mr. Chairman, Sir, I raised this issue during the Second Reading. Records of the House clearly show this. I would like to ask the Minister whether he is prepared to assist this House to live upto the oath which we each took to safeguard and protect the Constitution. We are not doing that in this House because without this Government bringing a Bill here to enable the President to set up these Ministries, without this House, setting up these Ministries in accordance with Section 16 of the Constitution of Kenya, we are not living upto the oath we took here, to uphold and safeguard the Constitution of this country. So, is the Assistant Minister prepared, in the cause of next year, before he brings another Appropriation Bill here, to take every step he can in order to comply with Section 16 of the Constitution of Kenya by either asking this House to set up the Ministries or asking this House to pass a legislation that would enable the President to set up the Ministries? I appeal to him to do that, so that we can live with clear conscience.

(Clause 1 agreed to)

The Assistant Minister for Finance (Mr. Keah): Mr. Chairman, I beg to move that the Committee do report to the House its consideration of the Appropriation Bill and its approval thereof without amendments.

(Question proposed)

(Question put and agreed to)

*(The Bill was accordingly read
a Third Time and passed)*

(The House resumed)

(Mr. Speaker in the Chair)

REPORTS AND THIRD READINGS

THE FINANCE BILL

Dr. B.A. Godana: Mr. Speaker, Sir, I beg to report that a Committee of the whole house has considered The Finance Bill (Bill No.8) and approved the same with amendments.

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

The Minister for Tourism and Wildlife (Mr. D.M. Mbela) Seconded

(Question proposed)

(Question put and agreed to)

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I beg to move that the Finance Bill (Bill No.8) be now read a Third Time.

The Minister for Tourism and Wildlife (Mr. D.M. Mbela) Seconded.

(Question proposed)

(Question put and agreed to)

*(The Bill was accordingly read
the Third Time and passed)*

THE APPROPRIATION BILL

Dr.B.A. Godana: Mr. Speaker, Sir, I beg to report that the Committee of the whole House has considered the Appropriation Bill (Bill No.10) and approved the same without amendment.

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

The Minister for Tourism and Wildlife (Mr. D.M. Mbela) Seconded

(Question proposed)

(Question put and agreed to)

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I beg to move that the Appropriation Bill (Bill No.10) be now read a Third Time.

The Minister for Tourism and Wildlife (Mr. D.M. Mbela) Seconded.

(Question proposed)

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I notice that in the Schedule, we are granting R.02 a sum of KE14 million plus. I would like to bring the notice of the Minister to the very serious condition in our airports of Mombasa, Nairobi and Kisumu. Navigational equipment has been known to fail and this is very serious. Secondly, the recent industrial dispute between the Kenya Airways pilots and the Management of Kenya Airports Authority is extremely dangerous to the safety of our aircrafts and passengers. I would hope that while appropriating this sum of money, we will not only pay attention to our old airports such as Malindi, Mombasa, Kisumu and Nairobi, which are terribly neglected at the expense of a new airport, whose name you know, so that we

can have the Peter Wambura Report of 1993 implemented completely.

Mr. Muite: Mr. Speaker, Sir, let the records show that what this House has done today in passing this Appropriation Bill (Bill No.8) is, in my opinion, a blatant violation and breach of Section 16 of the Kenya Constitution in that, we are voting money to Ministries which have not been set up in accordance with Section 16. This House has not been asked to set up those Ministries nor has this House been asked to pass legislation that would enable the President to set up those Ministries.

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I am sure that the issue about navigational equipment and failures as observed by Prof. Anyang'-Nyong'o has been taken care of. Indeed, we call upon the Kenya Airports Authority to take note of this very serious concern.

As for the dispute between the Management and the Kenya Airways pilots, it is really a matter of national concern, and the parties involved are asked by this House to take note of this serious concern.

Regarding the issue raised by hon. Muite, I can only rely on the fact that the hon. Attorney-General made a clear statement here to the House, and that this has been a practice since Independence. I would like to assure the House, taking that into consideration, the fact that if, indeed, it has been a tradition, if there has been a violation, then this violation has been going on since Independence. There is no violation, that was just the opinion of hon. Muite. The Attorney-General, being the Chief Legal Adviser, has adequately advised and I would like to assure him---I want to ask my good friend hon. Muite, to rest assured that he is definitely defending the Constitution and we have not violated it.

Thank you.

(Question put and agreed to)

*(The Bill was accordingly read
the Third Time and passed)*

MOTION

ADOPTION OF PIC REPORT

THAT, this House adopts the Sixth Report of the Public Investments Committee on the Accounts of State Corporations laid on the Table of the House on Tuesday, May 7, 1996.

(Prof. Anyang'-Nyong'o on 3.10.96)

(Resumption of debate interrupted on 28.11.96)

Mr. Speaker: Who was on the Floor when the House adjourned last Thursday?

Mr. Falana: Thank you, Mr. Speaker, Sir, for giving me an opportunity to contribute to this Motion. The Public Investment Committee (PIC) is a very important Committee of this House and of the Republic of Kenya as a whole.

First, I would like to take this opportunity to congratulate the Committee and its able Chairman, Prof. Anyang'-Nyong'o, for the good work they have done and for their time that they have sacrificed. They have gone to places, investigated information and come up with this comprehensive Report. This Report is very comprehensive, it contains a lot of details on misappropriation of public funds and Government enterprises. I am pleased, at least, to see in the recommendation that both the Opposition and the Government Side have agreed without dispute and drawn their recommendations. We have noted a lot of thefts in this Report from highly positioned people who run the State corporations.

In some aspects, it is not even theft. Let us face it, it is robbery with violence. Actually that is what it is. Stealing needs a lot of intelligence and the thieves are normally very intelligent people. You do it carefully, slowly; you cover your face, make sure nothing gets to you and, perhaps you get away with it. But what we are seeing these days is that thieves have become daring, very brave, very courageous and that is why I have called it robbery with violence. They just do not care what happens because at least, they are assured that nothing would happen to them.

We set up this Committee, they give us a very good report, it is brought to the Floor of the House and as if all we are supposed to do is adopt and forget about it, we go ahead and do that. I think time has come for the system to punish these robbers. These are not thieves, but violent robbers who use violence to rob this country.

Mr. Speaker, Sir, I will give the example of the National Social Security Fund (NSSF). The initial contract sum for putting up the NSSF building was Kshs467 million. At the time this Committee compiled this report, it was well over Kshs3.3 billion. If the initial signed contract sum was only Kshs400 million and then at the time this report was compiled an amount of Kshs3 billion had been spent, is this not really sad? These people know very well that there is a committee known as Public Investments Committee of Parliament which is very much alive and active and their accounts are supposed to be audited by it. They just do not care what happens. They use violence to rob this country.

In this same report, there is what they call acceleration or inducement fee. This is a fee that is paid to the contractors to accelerate the work. In other words, it is supposed to speed up the work. In this case of the NSSF building, an acceleration fee of Kshs117 million was paid to the company which erected that building and surprisingly enough nothing to that effect was done. While the work on this building was supposed to be brought down to 104 weeks, it went on for years. That money was supposed to have been recovered because there was a breach of contract. This recommendation was made in the last Public Investments Report but nothing has been done. The same recommendation is again here with us because no recovery was done.

Time has come for each one of us to carry his own cross and then leave God for us all. We are tired of defending crooks and criminals in this House. This Government has got to maintain the image of a Government. We do not want it to be called a Government of crooks, thieves and robbers. Enough is enough! We know that a number of public servants, be it in parastatals or Civil Service, are very honest and dedicated to their work, but everything good about them has been submerged by those who have been looting this system. If I can recollect, the best we have done as a system is to transfer a crook from one section or a parastatal to go and do the same thing in a different section. When shall we learn? If someone messes-up somewhere, instead of taking him to court, we transfer him. Even sacking him is not enough. He should be taken to court because there is evidence that he has stolen money from this Government.

We have Auditor-General (Corporations) who is a dedicated servant just like the Controller and Auditor-General, Mr. Njoroge who does a wonderful job.

Prof. Mzee: On a point of order, Mr. Speaker, Sir. Is it in order for hon. Falana to accuse the person who has appointed these heads of parastatals for appointing thieves and criminals and transferring them from one parastatal to another? The person who appoints these people is the President. Is he in order for him to say that?

Mr. Speaker: He is expressing his opinion!

Prof. Mzee: But he is criticising the President.

Mr. Speaker: Prof. Mzee, you are out of order now.

Mr. Falana: Mr. Speaker, Sir, I am very much above those policies politicking about the Head of State. I am proud to say that. I have a lot of respect for him and I do not want to play with his name. He heads no corporation and he has not stolen a penny from anyone. So, do not pull me into that debate. Let me take my time.

Heads of parastatals are Kenyans and that is why I said that we have the Auditor-General (Corporations) who is an employee of this system. He is also a professional. Then we have elected respectable Members from both sides of the House. Now, these two bodies have come up with this report. I think in all fairness, the respect this House is supposed to give to the Auditor-General (Corporations) and the Members of the Public Investments Committee, is to honour their report because it has unanimously come up with recommendations. When someone steals in this system, he does not steal for the Government or the President, but for himself. That is something very personal. Whoever steals does it for himself and, perhaps, his family. Such a person is stealing from the Government and not for the Government. I was saying that the Government has the power to bring these people to book, otherwise, I do not see why we have the Public Accounts Committee and the Public Investments Committee. We use a lot of money on the Members who sit in this Committee. We use a lot of money because they visit many places and incur a lot of expenses and when they bring this report, all we do is put it aside. They make recommendations and by refusing to adopt them, the job is half-done. All that the Government has to do is move in and do what has been recommended. No one here can say that this is an Opposition agenda. We have our own elected Members in the Committee and together with Members from the Opposition, they unanimously reach to these conclusions. So, we cannot accuse Prof. Anyang'Nyong'o of playing his game of mudslinging by calling the angels in this system thieves. If they are thieves, they remain thieves.

Leaving NSSF aside, there is also the Milling Corporation of Kenya. In this report, this Corporation has been sold to Premier Flour Mills at a price of Kshs 150 million.

Mr. Speaker, Sir, surprising, that was not among the lowest bidders of the tender. A company in Kitale had offered Kshs195 million, but whoever was selling the Corporation felt that did not matter for whatever interest. It was felt that this Premier Flour Milling Corporation should buy it at Kshs150 million.

Mr. Speaker, Sir, to add insult to injury, they were supposed to have paid 10 per cent down-payments

within 60 days. It is quite funny that they took over management of the Corporation without paying a single penny.

The 60 days elapsed without paying a penny and they were supposed to pay some money by November 1994. But it was sometimes in January 1995 when they paid Kshs15 million. As we are debating this report now, Kshs135 million is yet to be paid and has not been paid.

The Premier Flour Milling Corporation had what they called reserved price of Kshs550 million. Even if it were to be sold at reserved price, it should have not been sold at less than Kshs550 million. Perhaps, the man who followed up and came up with that revelation was sacked. Mr. Speaker, Sir, as an honourable House, we get all these evil deeds and reports and keep mum because we feel so-and-so is in the Government or in the system and we are in the system. So, we keep mum because by saying that, we would be offending our system or we would be offending someone who has been appointed by our system. That should not be the case. He did not steal for the system as I said, he was not assisted by the system to do that evil job and so on. He was appointed in whatever capacity to go and head that parastatal honourably and benefit Kenyans, but not to steal. If he/she has stolen, and there is proof, it is time the system cleared its image and disassociated itself from these crooks and robbers. Why keep them among themselves? After all, even if we did not do that for the last four years, I think, it is time we woke up as a system and acted on this, bearing in mind that 1997 is not very far and this one might earn us some marks if we move in and act fast.

Mr. Speaker, Sir, With those few remarks, I beg to support.

The Assistant Minister for Finance (Mr. Koeh): Mr. Speaker, Sir, I wish to make the Ministerial comments.

I should like to thank the hon. Members for the contributions they have made during this deliberation. I believe during the course of discussions, some very good comments were made although some, of course, could be a little bit far-fetched. But the deliberations by the House and the comments made, we have noted them. I believe such comments are going to assist us in the future to make sure that PIC Reports are streamlined or public expenditure is going to be scrutinised and make sure that there is total accountability in spending the public funds.

[Mr. Speaker let the Chair]

*[The Temporary Deputy Speaker
(Mr. Wetangula) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, we know that we are a developing nation and some of our institutions are not very strong. But I would like to appeal to the hon. Members when we are making contributions we should be making some constructive criticisms. We should all participate in educating our people on the vice of misuse of the public funds. I think, our people have a long way to go before they realise that certain things they do are assisting those who are corrupt to facilitate their corruption. I believe even we in this House should devise ways and means of educating members of public to be wary of misuse of public funds, so that our society does not also contribute towards corruption or misuse of public office. I believe very strongly, we as hon. Members of Parliament, have a very big role to play.

However, Mr. Temporary Deputy Speaker, we have noted in details the contributions by hon. Members, and I believe they are going to assist the various arms of the Government to make sure that the public funds are utilised as it was voted for.

Now, I should also thank the hon. Members of the PIC for the work they have done. I believe they have done a good job, but, of course, there is always room for improvement in whatever we do. I think they have done a good job.

Mr. Temporary Deputy Speaker, Sir, I want to move a few amendments on this report because I believe this House or the PIC would normally make recommendations. The recommendations would be used by the Government elsewhere to see to it that justice is done. This House is not going to be a court of law where a few people are going to be punished before they get a very good hearing. We all believe that we want justice and justice must not only be done, but must be seen to be done. We all know that if somebody is apprehended, he is not guilty until proved guilty.

Mr. Temporary Deputy Speaker, Sir, I do not believe this august House is going to make somebody to be guilty before he is brought before a court of law.

With these few remarks, I want to propose the following amendments:- Let the Motion be amended by deleting the "full stop at the end thereof" and inserting the words "subject to the following amendments."

(a) On page 67, by deleting the recommendations appearing at the end of paragraph 8.2.

"The Committee further recommends that the Board Members responsible for the irregular

investment and enormous loss of public funds be banished from holding any office in the Republic of Kenya."

(b) By deleting the recommendations:-

"The Committee recommends that having displayed profound lack of integrity, the Permanent Secretary, Ministry of Lands and Settlement, Mr. J. Sang' and the Commissioner of Lands, Mr. Gachanja, should be banned from holding public office."

(c) On page 123, by deleting the recommendations,

"Mr. D.K. Tirop should be banned from holding a public office.

(d) On page 231, by deleting the recommendation on paragraph 5.

"The Committee further recommends that the former Executive Director of ESTU, Mr. Lawi Kiplagat, be banned from holding any public office in the Republic of Kenya.

(e) On page 237, by deleting the words appearing at the end of paragraph 2.2:

"and in the meantime be banned from holding public office".

(f) On page 238, by deleting the words appearing in the recommendation at the end of paragraph 2.3:

"The Committee further recommends that all the officers who were involved in the signing of contracts for Phase 2 of the project to begin before Phase 1 was completed, e.g., Mr. E. Mwangale, Dr. W.K. Koinange, Messrs. C. Mbindyo, F. Wafula, E. Eshitemi and F. Wabuke be banned from holding any public office in Kenya".

(g) On page 261, by deleting the words appearing in the recommendation for paragraph TOR 3:

"The Committee also recommends that the said officers, Mr. Elijah Mwangale, Dr. Wilfred Koinange, Messrs. Fred Wafula and D. Eshitemi be banned from holding any public office in Kenya".

(h) On page 264, by deleting the words appearing in the recommendation for paragraph TOR 5:

"The Committee also recommends that Mr. Wabuke be banned from holding any public office in Kenya".

Mr. Temporary Deputy Speaker, Sir, I am not saying that for any officer who has misused the office, appropriate action should not be taken. What I am saying is that, what the Committee has recommended is tantamount to giving a final verdict. I do not think Parliament can give a final verdict on anybody. The Ministry believes that somebody should be brought before a court of law. When it is established that he has misused his office, then appropriate action will be taken. But what has been recommended by the Public Investments Committee (PIC) is actually a precedence which is very dangerous. It is like taking somebody straight to jail instead of taking him to court to defend himself. In a situation where we have a public officer who has misused his office, we have other institutions which can do the type of job that we are trying to do in Parliament. In other words, we are taking over the responsibility of other institutions in the Government. We propose the amendment because the people who have been mentioned in the Report should be given enough hearing, so that justice is not only done, but it is also seen to be done. But if we are going to propose that these people should go to jail, I do not think we are fair. We are creating a very dangerous precedence, and if it is followed, it will be totally unfair and unjust.

By saying that, I am not saying that anybody who misuses a public office should not be prosecuted, or appropriate action should not be taken against him. What I am saying is that I do not think that the PIC has got the power to remove anybody from office. This is a situation where the PIC has usurped other powers, and they are now going to take the powers of the courts. This is because these public officers have not been given a very good hearing.

With these few remarks, I move the amendment.

Mr. D.D. Mbela: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to second this amendment. Before I say anything, I would like to say that I am seconding this amendment, basically, on technical grounds.

This House has got its own Standing Orders, and having had my attention drawn to these facts, particularly, on the issue where this House, according to its own Standing Orders, does not agree with naming people who cannot defend themselves, I have risen to defend that position because, even in the Committee stage, this issue gave us some problems. A few of us thought that the Committee was exceeding its powers by going beyond the level where Parliament itself, has to decide, as far as our own behaviour is concerned. We felt that there was room for some change, as far as this item was concerned. The issue of naming names--

Prof. Mzee: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for a Member of the PIC, instead of supporting the Report, to stand up and second an amendment which kills the recommendations of the Report itself? He is part of this Report!

The Temporary Deputy Speaker (Mr. Wetangula): Whether he wants to support his Report or not, it is

up to him!

Mr. D.D. Mbela: Mr. Temporary Deputy Speaker, Sir, I have no intention whatsoever of opposing this debate on his Motion. I am a very committed Member of the PIC and we have discussed these issues thoroughly.

The only thing I have agreed to support is that this amendment does not, and should not be allowed to water down the hard work that has been done by the Committee, to a point where it negates the very purpose for which this Committee was set up.

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. I very much like and respect hon. Mbela, and I am glad that he has just said that he cannot support an amendment which will water down the significance of the Report. Is it in order then, for the person who is opposing the amendment as put, to rise purporting to be seconding the amendment?

An hon. Member: Surely, what is going on?

Mr. D.D. Mbela: As I had explained, the purpose of seconding this Motion is even to strengthen this Report, because it might be pushed down by the mere fact that we have mentioned names. That may water down the whole effect of the Report in the eyes of other hon. Members who might speak about it.

Having said that, and I have said that I am supporting this amendment strictly on a technical basis, I would like to first of all, congratulate this Committee, and having been a Member, for having done a very, very thorough job. It was a tight, painstaking and time-consuming exercise, and hon. Members did exercise a very high level of integrity in coming out with this Report, as we have seen.

There have been several Reports since then, and I have been a Member of this Committee for some time, and I have seen a lot of things happening since these Reports started to be made.

But first of all, I would like to congratulate the former Chairman of the PIC, Prof. Anyang'-Nyong'o, for having guided this Committee very, very thoroughly on very, very thorough investigations into this Report.

The Temporary Deputy Speaker (Mr. Wetangula): Hon. Mbela, support the amendments. There is no point praising Prof. Anyang'-Nyong'o! He is not part of the amendments! Just support the amendments.

Mr. D.D. Mbela: I am supporting the amendments, Mr. Temporary Deputy Speaker, Sir!

An hon. Member: He has run out of points!

The Temporary Deputy Speaker (Mr. Wetangula): Order!

Mr. D.D. Mbela: I am supporting the amendments and I have said that they are good amendments. They will save the Report from being watered down. I would like to say that I also have got things to say about the Report itself. The amendment of the Report does not remove the full effect of--

The Temporary Deputy Speaker (Mr. Wetangula): By the way, your support of the amendment does not take away your right to speak on the principal Motion. You still have the opportunity to speak.

Mr. D.D. Mbela: Mr. Temporary Deputy Speaker, Sir, I have a few points to make on the Report, while at the same time, supporting the amendments.

The amendments did mention only the issue of names of persons, that have been mentioned in the Report. I believe hon. Members will agree with me that the purpose of making this Report is not really to name names of people here, but to point out the very specific instances of action, including the whole issue of mismanagement of funds by certain people. By saying that their names should be expunged from the Report, it does not mean that I am opposed to having these people criticised by this Report. This is because we have issues here where those very people who are criticised had gone a long way into sabotaging the very policy that this Government has been supporting.

Mr. Temporary Deputy Speaker, Sir, the KANU Government, of which I am a Member is clear on its proposals on fighting corruption. It is in the manifesto of the party of 1992. It says very clearly that the KANU Government will use all the political clouts possible to fight corruption. That is definitely an important point as far as the activities of PIC are concerned. Anybody who flouts that rule is not, indeed, supporting this Government at all. My colleagues have mentioned here that since this Report was tabled a lot of things have happened in various areas.

For example, if I would like to draw the attention of the hon. Members to Treasury Circular and Treasury Memorandum that accompanied this Report. In this Report, it is very clear that Treasury and certain Ministries have made a lot of efforts in improving the situation in the parastatals. Several Parastatal Heads have actually taken this Parliament very seriously and a lot of activities are going on behind the scene in improving the accounts of the corporations and in following the tender regulations which are laid down by the Government. It is only when we have a few people who completely override the whole procedure in the Treasury Circular and invest where they are not supposed to invest, or award tenders where they are not supposed to, that we get concerned. These are areas which are causing a lot of problems in this country. As I have said, corruption is a cancer that can actually kill this country.

The Temporary Deputy Speaker (Mr. Wetangula): Mr. Mbela, the Motion we are debating is meant to delete certain words from certain paragraphs. As I told you, you will have the opportunity to contribute on the main Motion at a later stage, and so just restrict yourself to the amendment.

Mr. D.D. Mbela: Mr. Temporary Deputy Speaker, Sir, as I said, I will support that amendment purely on technical grounds.

Thank you, Mr. Temporary Deputy Speaker, Sir.

(Question, that the words to be left out be left out proposed)

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I will confine myself to the proposed amendments because I have the responsibility to reply in the end. But when we swear as hon. Members of this House, we say very clearly that: "*Ewe Mungu nisaidie*" so, help me God. By saying so, we say knowing fully well that we have law books in front of us here which should guide our debate in this House. The Assistant Minister has said that he is proposing this amendments because of an infringement of the Constitution and I will leave it to my friend hon. Muite, to tell us which part of the Constitution that he is referring to if the Minister could point out.

Mr. Temporary Deputy Speaker, Sir, secondly, I would like to point out to the Assistant Minister that the Committee was very much conscious of the law and made these recommendations with reference to the relevant law. I will point out those sections of the law that we were referring to. Before I do so, I want to remind the Minister of our oath. I will, therefore, request the indulgence of the House to read from Nehemiah Chapter 5 verses 1-7:- "And there was a great outcry of the people and of their wives against their brethren the Jews." For there were that said:- "We our sons and our daughters are many; therefore, we take up corn that we may eat and live." There were some who said, "We have mortgaged our lands, vineyards and houses that we might buy corn because of the dust." There were also others who said; "We have borrowed money for the King's tribute and that upon our lands and vineyards, yet now our flesh is as the flesh of our brethren; our children as their children, and lo, we bring into bondage our sons and our daughters to be servants and some of our daughters are brought unto bondage already, neither is in it our power to redeem them for other men have our land and vineyards." I was very angry when I heard their cry and these words. Then I consulted in myself and I rebuked the nobles and the rulers and said unto them, "ye exact interests everyone of his brother and I set a great assembly against them." And I said unto them: "We after our ability have redeemed our brethren, the Jews which were sold unto the heathen and we will even sell your brethren or shall they be sold unto us. Then held they their peace and found nothing to answer"

Mr. Temporary Deputy Speaker, Sir, I hope the Government will not hold its peace and refuse to answer the recommendations we have made. The amendment being moved must be seen in its significance. What intention did the Committee have in making this recommendations? These are mere recommendations to be implemented by the Government; we are not making final judgement. They are to implemented by the Government and the Government has to report to this House through Treasury Memorandum. So, there is a due process of the law to be followed. That process of the law to be found in the following Acts:- The State Corporations Act, the Exchequer and Audit Act and the Prevention of Corruption Act. These four Acts define and give mandate to the Committee. I will read from the Prevention of the Corruption Act, Cap.65 of the Laws of Kenya, Section 3. This is Act on the Prevention of corruption:-

"Any person who shall by himself, by or in conjunction with any other person corruptly solicit or receive or agree to receive for himself or any other person any gift, loan, fee, reward, consideration or advantage or whatever as an inducement to or reward for or otherwise, on account of any member or officer or servant of a public body doing or forbearing to do or having done or forborne to do, anything in respect of any matter or transaction whatsoever actual or proposed or likely to take place in which the public body is concerned shall be guilty of a felony; and upon conviction shall, unless the court for special reasons otherwise orders, be liable to be adjudged to be forever incapable of being elected or appointed to any public office; and to be incapable for seven years from the date of the conviction or voting for at an election of members of any public body in Kenya and if at that date of the conviction he had been elected as a member of any public body, his seat shall be vacated from that date; and any written law in force in Kenya for preventing the voting and registration of persons declared by reason of corrupt practises to be incapable of voting shall apply to a person adjudged in pursuance of this section to be incapable of voting."

Now, Mr. Temporary Deputy Speaker, Sir, what we have done is to recommend to the Attorney-General to look at the law and implement the law. This is because, although corruption has been committed year-in-year-out and, although the Committee has made these recommendations, not enough conviction has been carried out. We

are pointing out to the Attorney-General the relevant section of the law which should be visited upon these people so that the individuals concerned can be brought to justice.

Now, Mr. Temporary Deputy Speaker, Sir, the Ministers may laugh but in these copies of the HANSARD of the Committee meetings, there is ample evidence that the individuals concerned accepted before the Committee their guilt. We met with the Attorney-General, the Head of the Public Service, the Permanent Secretary to the Treasury, the Permanent Secretary in charge of Public Corporations and the Head of the Directorate of Personnel Management and we did discuss these recommendations. We did tell the Government that one of the reasons why we are making these recommendations is so that the Government can realise that serious offences have been committed and that serious punishment should be given to the individuals concerned so that the practice does not continue. But if the Government, in spite of pronouncing itself concerned about eradicating corruption, now comes around and tries to defend these individuals in this House, I do not know what the Government is doing. This is because what we expect the Government to do next year is to come back with a Treasury Memorandum saying that:

"This recommendation was taken to the Attorney-General and proper investigation was done. The individual concerned was taken to court. The Prevention of Corruption Act was looked at and that the so-called "guilty individual" was found not guilty".

We shall accept that. But for the Government to act beforehand and say that this individual should not be banned from holding any public office because of a section of the Constitution that the hon. Koech cannot quote, I find that very difficult to understand.

Further, Mr. Temporary Deputy Speaker, Sir, if you look at the Report, the principles on which the Committee operated were the following and I quote from Roman numeral X:

"The role of this Committee is to ensure that high standards of public morality and productive efficiency are maintained in public investments. Moreover, the Committee acts on behalf of the public who are the proprietors of public corporations. Unless these corporations are run in the interest of the public, they would have no reasons to exist."

Further, the evidence that we received from the individuals concerned was recorded verbatim and I would like to refer to those sections that the Assistant Minister wants to amend. The Assistant Minister says for example, with regard to the deposits held in financial institutions whose operations were suspended by the Central Bank of Kenya--- This is at the beginning of page 67 and we should not read that recommendation without referring to the evidence. This is because if you do not refer to the evidence, you cannot know how grievous the offence committed is. The Assistant Minister simply said:

"That the Committee further recommends that the Board members responsible for the irregular investment and enormous loss of public funds be banished from holding any public office in the Republic of Kenya".

Why did he say so? I want to read the evidence because it is the evidence that leads to gravity of the offence. The evidence is as follows:

"The Committee heard the evidence given by the Chief Executive and noted with concern that the Fund had invested in the following financial institutions which had been put under receivership:

- (i) Trade Bank Limited where the public stood to lose Kshs196,900,000 of public funds.
- (ii) Nairobi Finance Corporation Limited where the public stood to lose Kshs5 million.
- (iii) Post Bank Credit Limited where the public stood to lose Kshs954,900,000.
- (iv) Central Finance Kenya Limited where Kenyans stood to lose Kshs2,970,000 and finally,
- (v) Middle Africa Finance Company Limited where Kenyans stood to lose Kshs4,800,000.

The Committee was informed that the Fund hopes to recover some portions of these deposits from the liquidators or from the Deposit Protection Fund. The Committee abhorred the manner in which the Fund invested enormous funds in dubious financial institutions leading to colossal loss of public funds. The Committee further noted with grave concern the laxity, blatant and incomprehensible indifference with which the Treasury, the parent Ministry and the Office of the President had handled the gross mismanagement of the National Social Security Fund. The Committee strongly recommends that urgent steps should be taken by the Office of the President, Treasury and the parent Ministry to intervene in National Social Security Fund affairs so as to ensure the full recovery of funds placed in all these shaky financial institutions".

Now, Mr. Temporary Deputy Speaker, Sir, if we say that and then the Government goes and picks the same individuals who are responsible for the loss of this Fund and puts them for example, in Consolidated Bank which is the bank that is responsible for getting this money back from these institutions, or puts these individuals in Kenya Revenue Authority or places one of these individuals in the National Housing Corporation, how serious is the Government in doing what we are recommending it to do? That is why we say that while this is being done, the

individuals who have proven to have been responsible for this should not be put in public office. It makes a lot of sense. Hon. Falana just said a few moments ago that each individual who has stolen from the Government or misappropriated public funds should bear his or her own cross. This Report is saying that these people should bear their cross by not being given further responsibility by the Government. The Government, on the contrary, is saying that; no, no, no, this is unconstitutional without saying which part of the Constitution we are breaching. We have read from this Prevention of Corruption Act. If the Government does not want to apply its own laws, then they should tell us to ban and disband the Public Investments Committee. There is no need wasting eight months trying to help this Government when they are sitting pretty and saying that they should not be helped. I think this is a complete disregard and disrespect for the hard work that this Committee has done.

Further, Mr. Temporary Deputy Speaker, Sir, the same Minister says:-

"With respect to the lands that were bought from certain individuals or were bought from the public and sold by certain individuals to the National Social Security Fund."

I am referring to page 73 to page 74. Again, hon. Koech simply read the recommendation without reminding the House of what the evidence was. I do not need to read the evidence, but I will summarise it. On page 73, we have a table showing the lands and buildings acquired by the National Social Security Fund. For example, the National Social Security Fund acquired plot No.209/324/3 for Kshs183,940,955.05 when the market price at the time of sale - and this market price was provided to the Committee by the Ministry of Lands and Settlement itself, from the Commissioner of Lands office - was a mere Kshs21 million. The Fund bought property for Kshs183 million when its market price was Kshs21 million, thereby losing Kshs160 million worth of workers' funds. That is just one example, there are seven others.

Mr. Temporary Deputy Speaker, Sir, now what is interesting and I must give you the story, because this story appears in the HANSARD. The story is that, when we asked the Permanent Secretary, Ministry of Lands and Settlement and the Commissioner of Lands to bring this evidence to the Committee, they first of all refused. Fortunately, one of the officers in the Commissioner of Lands Office was very duty conscious and in the meeting, he came with an evaluation which was presented. When this was presented, it was a great embarrassment to the Commissioner of Lands and the Permanent Secretary. If you read the HANSARD which I have here, you will see an exchange between the Committee and both the PS and the Commissioner of Lands. The PS and the Commissioner of Lands were blatantly violating the Powers and Privileges Act, by refusing to give evidence to the Committee. This is available in the HANSARD. Until we had to ask them to leave the room, to go and consult, to realise the importance of the Powers and Privileges Act. Then they came back and the PS said: "Mr. Chairman, we are now willing to co-operate"; after we had pointed out to them that they were violating the Powers and Privileges Act, by hiding information from the Committee. What is interesting is that, if you compare the list that we have here, the discrepancy between the cost price of the land then and what NSSF paid, with a recent list that was tabled in this House when hon. Dr. Otieno-Kopiyo asked a question, you will realise that the list that was tabled in this House recently was definitely doctored. It differs so significantly from what we had been given in the Committee.

Mr. Temporary Deputy Speaker, Sir, I want the Government to take this issue very seriously because you can hide now, but 10 years from today, the facts will come back.

Mr. Temporary Deputy Speaker, Sir, it can be two or 10 weeks, but this loss will not change and they will be prosecuted. Unless, you want today to repeal the Prevention of Corruption Act, which is here and which empowers this House to ask the Attorney-General to apply that Act with respect to these people. Let me just read from the HANSARD one of the paragraphs.

Mr. Gachanja: Mr. Chairman, I agree with the hon. Member. I wish to react to two aspects of his comments. One, we seek direct quotation from the law as it exists".

The second one he made, that I have defied instructions from Parliament and I would like to comment on the second part, not on the law. I have not defied the request of the instructions from Parliament and we are going to provide information requested for.

Dr. Otieno-Kopiyo: When and how soon?

Mr. Gachanja: We are already working on it. We have collected the files and we shall extract whatever information is there".

This information never came. Further:

Mr. Mwaniki: Mr. Chairman, it is today that we are getting the instructions to do the valuation.

Mr. Chairman: From who?

Mr. Mwaniki: From the Committee!

Mr. Chairman: You mean you had not got instructions to do the valuation before?"

Mr. Temporary Deputy Speaker, Sir, I am reading these two sections because right in front of the Committee, two officers of the Commissioner of Lands were contradicting themselves. One came before us that he

was going to give the information and he did not. The other one said that, it is now that we are getting instructions from the Committee. When we are saying that these people were trying to defy the Powers and Privileges Act, there is evidence in this HANSARD.

Mr. Temporary Deputy Speaker, Sir, let me now refer to yet another amendment the Minister is proposing. This is to do with non-compliance of procurement procedures by Mr. D.K. Tirop. This is in connection with the Kenya National Trading Corporation (KNTC). Again, I would like to read the evidence before we accept the hon. Minister's recommendation for amendment. The evidence is as follows:-

"The Committee heard the evidence given by the Chief Executive and abhorred the very unsatisfactory manner in which the Corporation procured various goods and services without following the laid-down-financial instructions. The Committee observed that:

1. Payroll computerisation was done with the Tender Committee's approval.
2. A deposit of Kshs7 million was paid in January, 1993, to M/S RaspeL Limited for importation of 11,000 metric tonnes of ammonium sulphate which was neither received nor a refund made.
3. Three, the importation of the fertiliser was done through Trade Bank Limited after the Corporation's bankers, the Kenya Commercial Bank, failed to issue a letter of credit. This case was still pending in court.
4. The Board of Directors procured goods and services without following the laid-down-procurement procedures, even after the parent Ministry wrote to the Board, drawing their attention to this gross irregularity.
5. The managing director, Mr. D.K. Tirop, ignored the written advice of the then commercial manager on the need to adhere to the financial regulations.

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not think that I have stood here to interrupt the hon. Member, but I believe that the substance of the amendment is banning of some people from holding public office. The argument the hon. Member has used in connection with one particular case actually applies all the way across the cases. The argument is on banning some people from holding public office. The argument is whether this recommendation is in order or not. Since he has given a number of examples, I do not think he really needs to take us all the way through the cases.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, I do appreciate the hon. Vice-President's concern, but we are speaking of constitutional rights of individual Kenyans, who have been received before the Committee individually with respect to specific public corporations.

Dr. Otieno-Kopiyo: On a point of information, Mr. Temporary Deputy Speaker, Sir. Just to give hon. Anyang'-Nyong'o some information, the gentleman in question sold the Milling Corporation of Kenya to a company belonging to a Member of this House for Kshs150 million which was not paid until two years afterwards. That gentleman, Mr. Lawi Kiplagat, is today the managing director of the National Housing Corporation, and the Public Investments Committee is already investigating his activities.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, this is why it is incumbent upon me to give evidence in each case, so that the Government appreciates that each one of these individuals is really not suitable to be put in a public office. Their minds have acted after being tuned by some other people. But let those people stand up and be counted. Definitely, the evidence in the HANSARD and the Report refers to specific cases. When hon. Koech moves an amendment for deletion of recommendations on this and that person he should know that we heard evidence from many chief executives, but we chose only a few whom, because of the evidence given to the Committee, we thought were not capable any more of being given a public office. This is meant to help the Government clean its bad name. We are acting in good faith, and I think it is incumbent upon this House not rush to accept the amendment unless it is fully aware of the evidence before it.

We also have the Fourth Estate on the Galleries who are reporting our deliberations. They should know why the Committee is rejecting and the Government is proposing the amendment. The Government has proposed the amendment case by case and we must also reply case by case. If Mr. Tirop ignored the written advice of his own commercial manager, why do you want him to, again, be allowed to hold a public office? The Committee was appalled by this blatant flouting of the laid down financial regulations, which had express approval of the then managing director, Mr. D.K. Tirop. The Committee was of the view that there was conspiracy and *prima facie* evidence of fraud. Sir, you are a lawyer and know that this is very important.

Those are the reasons which led to the following recommendations.

You will realise that the recommendations increase in gravity as we go down:

1. The Chief Executive should submit all the necessary information and documents pertaining to the purchase of Ammonia Sulphate to the Corporation's lawyer, to enable him to institute civil proceedings against Messrs RaspeL Limited and recover the Kshs7 million.
2. The Attorney-General should institute further investigations into this irregular transaction with a

view to instituting criminal proceedings against any officer(s) who might have been involved in fraud, during the irregular procurement of the goods and services.

3. The Attorney-General should institute full investigations into the activities of the then Managing Director, Mr. D.K. Tirop, with a view to instituting civil and criminal proceedings against him if there is *prima facie* evidence of fraud.

4. In future, the PS should take stern action, including recommendation for dismissal against Board Members who ignore instructions from the parent Ministry."

Mr. Temporary Deputy Speaker, Sir, if you look at those recommendations, were the Attorney-General, together with the Corporation, to institute criminal proceedings against Mr. Tirop, I wonder whether Mr. Tirop would be holding public office at the same time. In which case, it would not be even necessary to implement these recommendations immediately. In the final analysis, should Mr. Tirop be found guilty of all these offences, I would find it very difficult for this Government to still want to appoint him to a public office. So, it is very clear that in line with this evidence, and in line with the Prevention of Corruption Act, a man like Mr. Tirop cannot, in this Government, hold public office, especially after such careful evidence which we have submitted to the Attorney-General. There is both *prima facie* evidence of fraud and conspiracy to defraud the Government.

Let me go to the next issue which hon. Koech is recommending that we should amend. He is saying that a man called James Nderitu Gachagua and another one called Eric Andwati should continue to hold public office; that they should continue to run public corporations. This was another evidence, which was blatant stealing from a corporation and I would like to read the evidence:

"The Committee heard the evidence given by the Chief Executive and deplored the irregular manner in which the Corporation sold 62 flats, 2 bungalows and 27 staff-quarters at a price of Kshs52 million without the authority of the parent Ministry and without open tenders."

Mr. Temporary Deputy Speaker, Sir, if public properties can be sold without the parent Ministry knowing and without open tenders being received, surely, I find it very difficult to defend such people to continue holding public office. The recommendations continue as follows:

"The Committee observed that Mr. James Nderitu Gachagua who was a proprietor of Jaga Consultants that bought the houses was a former employee of the Corporation and was irregularly appointed the Corporation's consultant during his tenure of office. There was no Board resolution which authorised the other consultants to be the consultants of the Kibera High-Rise Scheme. As a result of off-setting the debts owed to the consultants, the Corporation did not realise its objective of having a revolving fund. The Corporation flouted the Financial Regulations with the full knowledge of the then Managing Director, Mr. Andwati. Arising from the above observations, the Committee was of the view that there was collusion and fraud in the sale of the houses. The Committee directed the Chief Executive to submit all the relevant documents relating to the sale of the houses to the Attorney-General, to enable him institute further investigations and take appropriate legal proceedings against Messrs. Erick Andwati, James Nderitu Gachagua and any other officer involved in the fraud. The Committee recommends that the Corporation should institute legal proceedings with a view to annulling the transfer of the houses to the purchasers."

It is in that context that we recommended that Mr. Andwati should not continue to hold public office. Again, I do not understand why the Minister finds it incomprehensible to stop these people from holding public office when there is such blatant evidence of defrauding the public of Kshs52 million, unless the Minister thinks that Kshs52 million is small change.

Mr. Temporary Deputy Speaker, Sir, I want to end finally with the evidence in connection with the Nzoia Sugar Company. In the case of Nzoia Sugar Company, the loss was so big that the Fifth Committee recommended an Inter-Ministerial Committee to look into what happened in Nzoia. The special Committee, which involved 11 Government Ministries, including the Police and the Criminal Investigation Department (CID), brought the evidence to the Committee. It was not just the Committee acting; it was the Committee acting in collaboration with the Government. When the evidence came, with regard to Phase Two of the expansion work of Nzoia Sugar Company, it was quite clear that individuals had conspired, even against the advice of the Attorney-General, in writing--

(Loud consultations)

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. I appreciate that some of us are here to vote. Others are here to listen and reason. Could those who are here to vote either

wait elsewhere or reduce their consultations?

The Vice-President and Minister for Planning and National Development (Prof. Saitoti): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to cast aspersions on the hon. Members here by saying that some Members are only here to vote and others to listen?

Hon. Members: Yes!

The Vice-President and Minister for Planning and National Development(Prof. Saitoti): No! Is he in order? He is casting aspersions.

The Temporary Deputy Speaker (Mr. Wetangula): Order! All hon. Members are here on equal footing. There are no voters and singers and listeners.

An hon. Member: This one!

The Temporary Deputy Speaker (Mr. Wetangula): Carry on, Prof. Anyang'-Nyong'o.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir, let me just give you the evidence in the case of Nzoia Sugar Company because I think Nzoia is a very sad case. The Minister for Agriculture, Livestock Development and Marketing should pay particular attention because he is particularly interested in the sugar industry, and he has said that the sugar industry must be protected. Phase Two of Nzoia expansion has done a lot of harm to the sugar industry. Mr. Temporary Deputy Speaker, Sir, I would like to read the evidence for the House:

"The Committee heard evidence given by the Chief Executive--"

Mr. Kiliku: On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Sunkuli and Members from the other side are now organizing themselves to move a closure to this Motion.

Prof. Anyang'-Nyong'o: Mr. Temporary Deputy Speaker, Sir I think it is very important for us to take the amendments seriously because it is the conviction of the PIC Committee--

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Temporary Deputy Speaker, Sir. The point hon. Prof. Anyang'-Nyong'o is trying to make has been made. He is duplicating his arguments. I now move that the Mover be called upon to reply.

Dr. Kituyi: On a point of order, Mr. Temporary Deputy Speaker, Sir. I was captivated by the very mature and dignified presentation by hon. Prof. Anyang'-Nyong'o after which I was hoping to raise a substantive point of order about the procedure through which the Assistant Minister has purported to move an amendment to the business before the House. I will seek the guidance of the Chair on this, that this report has been before this House since Tuesday 7th May, 1996--

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Wetangula): He is on a point of order.

Dr. Kituyi: Mr. Temporary Deputy Speaker, Sir, I request Prof. Saitoti to stop telling hon. Sunkuli to stand up.

I am saying that we have heard the Assistant Minister for Finance move an amendment and then after he has moved that amendment, a piece of paper is passed around the House purporting to be a notice of an amendment to come on Parliamentary Business; a piece of paper which is not dated. Could you give this House guidance on what has happened all of sudden, that an amendment is moved and a notice of amendment is distributed after the moving of the amendment. **The Temporary Deputy Speaker** (Mr. Wetangula): Order! All the Chair can do is to put the Question and you vote. If it is carried--

Prof. Mzee: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Wetangula): The Question is that the Mover be called upon to reply--

Prof. Mzee: Mr. Temporary Deputy Speaker, Sir, You cannot do that. We cannot accept that. We cannot allow you to do this. We are discussing a very important issue. We have not aired our views and you are standing here trying to stop this debate.

The Temporary Deputy Speaker (Mr. Wetangula): Order, Prof. Mzee!

Prof. Mzee: We cannot allow you to do that.

Mr. Mathenge: On a point of order, Mr. Temporary Deputy Speaker, Sir. This side of the House fully refuses to support these amendments on the ground--

The Temporary Deputy Speaker (Mr. Wetangula): What is your point of order?

Mr. Mathenge: We must be given a chance to air our views because they are very important.

Prof. Mzee: Mr. Temporary Deputy Speaker, Sir, let me express myself.

The Temporary Deputy Speaker (Mr. Wetangula): Order, Prof. Mzee!

Prof. Mzee: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Wetangula): Order, Prof. Mzee! Can I bring it to your attention that we should be guided by reason and not emotions in this House?

(Question, that the Mover be now called upon to reply, put and agreed to)

(Several hon. Members from the Opposition Bench moved to the Table)

The Temporary Deputy Speaker (Mr. Wetangula): Hon. Koech, you may reply.

Prof. Mzee: No way!

Hon. Members: We will not allow this.

Prof. Mzee: Mr. Temporary Deputy Speaker, these are thieves. We are going to fight with thieves. We will not allow thieves to steal from this country. This is our country. It is our House and our country and we will not allow thieves to steal from it.

(Hon. Ruhiu and hon. Icharia attempted to remove the Mace from the Table)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Wetangula): Order! Let us have order. Order! In view of the degeneration of order in the House, the House is adjourned until tomorrow morning, 4th December, 1996, at 9.00 a.m.

The House rose at 6.20 p.m.