

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 9th June, 1998

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

The Economic Survey, 1998

*(By the Minister for Planning and
National Development)*

1998/99 Estimates of Recurrent Expenditure of the Republic of Kenya for the year ending 30th June, 1999, Volumes I, II and III.

1998/99 Estimates of Development Expenditure of the Republic of Kenya for the year ending 30th June, 1999, Volumes I and II.

*(By the Assistant Minister for Finance (Mr. Keah)
on behalf of the Minister for Finance)*

(Mr. Michuki stood up in his place)

Mr. Speaker: We are not on business yet! What is it?

Mr. Michuki: Mr. Speaker, Sir, the documents which have been read out here, the Economic Survey in particular, which provides the background to the Budget that is to be read on Thursday, have not reached the hon. Members of this House. How are they supposed to understand what the Minister is talking about when, in fact, it was the same tradition last year that those documents were not supplied to the Members? Would they be supplied as quickly as possible?

Mr. Speaker: Order! Order, Mr. Michuki! What rule does the tabling of that document breach as far as the Standing Orders are concerned?

Mr. Michuki: Mr. Speaker, Sir, it is not so much of--- I have heard you make rulings on traditions. The tradition of this House has been that those documents should be given to Members, to prepare them to participate better on the issues that follow.

Mr. Speaker: How do I know whether they are not in your pigeon holes? Anyway, let us continue.

ORAL ANSWERS TO QUESTIONS

Question No.016

DISCIPLINARY MEASURES AGAINST
ASSISTANT CHIEF

Mr. Anyona asked the Minister of State, Office of the President, whether he was aware that on 7th April, 1997, the Assistant Chief of Nyachichi Sub-Location in Kitutu Masaba allegedly demanded and received Kshs400 each, from the following widows: Annah Onkoba; Pauline Omurwa; Teresa Omosa; Jane Maroti; Rose Cosmas; Eunice Momanyi; Gladys Moturi and

Teresia Michira, purportedly to be allowed by him to brew traditional liquor for sale.

The Minister of State, Office of the President (Mr. Ndambuki): Mr. Speaker, Sir, I beg to reply.

(a) No, I am not aware

(b) Investigations reveal that a collections proforma was issued to a Mr. Samson Gitenyi, ID No.2755881, to collect funds for transporting the body of his brother for burial in Nyamira. The ladies purported to have contributed money to be allowed to brew traditional liquor have denied ever making such payments.

Mr. Anyona: Mr. Speaker, Sir, I just do not know whether this Minister is answering the Question on the Order Paper or he has manufactured his own question to answer. The truth of the matter is that on the 22nd April, 1998, I did bring this Question to this House and the answer I got from the other Minister is that he was not aware. On that basis, I tabled a document containing the information that forms the substance of this Question, and the hon. Madoka undertook, and it is in the HANSARD

here, to go and carry out investigations on the basis of that document, written by the chief and sent to me by the victims. Is it now in order for this Minister to come back and display the confusion that persists in that high Office of the President? Could he answer the Question, because he undertook to do so?

The Minister of State, Office of the President (Mr. Ndambuki): Mr. Speaker, Sir, investigations were done and we got a communication from the District Commissioner which revealed that those ladies never paid any money to the assistant chief to be allowed to---

Mr. Anyona: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: Why do not I give you a supplementary question, since nobody else is interested?

Mr. Anyona: Mr. Speaker, Sir, the fact of the matter that, the assistant chief wrote to those women demanding money from them and it is all here in the HANSARD. He signed the document, which is dated and was tabled here as part of the records of Parliament, and on that basis, the Minister said, "We are going back to investigate using that document." How can he now come back and say that the chief denied, and that the DC said this or that--- We are talking about a document, which is already part of the record of this Parliament, and which establishes that the assistant chief collected money. In fact, since the Minister said that he was not aware last time, the assistant chief is now charging Kshs100 to these women. Could he answer the Question?

Mr. Ndambuki: Mr. Speaker, Sir, I have given my answer, and this came from the DC's office. The Question is even referring to those women as widows, but they are not widows; I even have their identifications to the contrary.

Mr. Michuki: On a point of order, Mr. Speaker, Sir. A Minister in the Office of the President is hiding behind a junior officer, the district commissioner. Could the Minister answer the Question in terms of his responsibilities as the person in charge, and not hide behind a junior officer, because we are fighting corruption in this country, and this is one case of corruption. Could he undertake to go back and look into this matter himself?

Mr. Ndambuki: Mr. Speaker, Sir, according to the answer I have given, that is exactly what the position is. If Mr. Anyona wants me to go back again, I can do so, but my answer still stands.

Mr. Munyasia: Mr. Speaker, Sir, what is being said to be happening in Nyachichi Sub-location is happening everywhere. In Bungoma District, specifically from Kapchai and North Bukusu Locations, I have collected copies of these so-called permits issued by chiefs and handed them over to the Officer Commanding Station (OCS), Bungoma. Chiefs are collecting Kshs100 from each woman who wants to brew *busaa*. Since the licensing of brewing liquor is done by the Office of the President, could the Minister tell us what plans he has to discipline those chiefs who are collecting that money fraudulently from those who want to brew *busaa*?

Mr. Ndambuki: Mr. Speaker, Sir, I am not aware of the allegation made by the hon. Member. If he has any evidence to that effect, he can bring it forward and then we will have a look at it.

Question No.013

REVOCATION OF KENYA AIRFREIGHT HANDLING LICENCE

Dr. Kituyi asked the Minister for Finance:-

(a) why the Government revoked the licence of M/s Kenya Airfreight Handling Limited on the evening of 27th March, 1998; and,

(b) what the rationale was for that particular timing of the revocation.

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

(a) I am not aware that the Government revoked the licence of M/s Kenya Airfreight Handling Limited

on 27th March, 1998.

(b) In view of the above answer, the explanation sought regarding the timing of this action does not, therefore, arise.

However, I am aware of the fact that on the 27th March, 1998, at 4.00 p.m., Customs and Excise Department officials temporarily withdrew the handling services of the company through the department because the company had exceeded their bond facility. These services were reinstated on 30th March, 1998, after M/s Kenya Airfreight Handling Limited paid the necessary fine for exceeding the customs bond facility.

Dr. Kituyi: Mr. Speaker, Sir, on 27th March, 1998, Kenya Airways Company was to take delivery of a newly leased Boeing 737-200 from European Capital Limited which was to be cleared by Kenya Airfreight Handling Limited. On that day, at 4.00 p.m., ostensibly for exceeding its security bond, Customs and Excise officers cancelled the licence of Kenya Airfreight Handling Limited, and so the arrival of the leased aeroplane was delayed until the following Monday morning. On Monday morning, the newly leased plane was cleared by Mr. Gideon Moi's M/s Signon Clearing and Forwarding Company. In that afternoon, the Kenya Government allowed Kenya Airfreight Handling Limited to get back their licence. Could the Assistant Minister tell this House why, in an interview with *The East African* on Saturday, 28th March, 1998, both the Commissioner of Customs and Excise and the Chief Executive of Kenya Revenue Authority said that although the licence had been cancelled they had not been aware of who had given the instructions, and that they were going to investigate the matter? If the two chief authorities, who should give such instructions were not aware, who authorised the customs officers to conveniently cancel that licence until the new leased aeroplane was cleared by another company before the licence was reinstated to M/s Kenya Airfreight Handling Limited?

Mr. Keah: Mr. Speaker, Sir, I have no details of the clearance of the leased aeroplane by another company. The Kenya Airfreight Handling Limited has two main types of business. One is ground handling, loading and off-loading of cargo into and out of aircraft. The other one is clearing and forwarding of imports and exports through Customs and Excise Department. It is a fact that Kenya Airfreight Handling Limited exceeded their bond facility. The measure taken by the customs officials at the airport is applied to all the clearing and forwarding companies that had exceed their bond facility. What happened in that particular case is that the customs officials at the airport cancelled the licence pending payment of penalties by the offending company. These penalties were paid, and then the licence was reinstated to Kenya Airfreight Handling Limited on 30th March, 1998. Those are the facts. I am not aware of any insinuations or innuendoes of anybody else clearing the particular cargo referred to.

Mr. Ndicho: Mr. Speaker, Sir, could the Assistant Minister tell us who is responsible for cancelling licences temporarily or permanently? Is it the junior officers at the airport or the two senior officers from Customs and Excise Department and the Kenya Revenue Authority? Could he also tell us what that aeroplane was carrying?

Mr. Speaker: Order, hon. Ndicho! One question at a time. Mr. Keah, please, ignore the last question.

Keah: Mr. Speaker, Sir, the laws are clear and the customs officers apply them indiscriminately. For example, if the bond facility is exceeded, they have the authority to cancel a licence. But I agree that they needed to confer with the senior officials so that the right hand knows what the left hand is doing. The officials do have the right to cancel a licence under particular circumstances.

Dr. Kituyi: Mr. Speaker, Sir, if the junior customs officers are supposed to communicate with senior officers, particularly on a major clearance like that of a newly leased aeroplane, could the Assistant Minister explain the coincidence of cancelling the facility at 4.00 p.m. on a Friday, to delay arrival of the new leased aeroplane, which is cleared by another company on the following Monday morning, and then matters are regularised on the same Monday afternoon? Could he explain why the Commissioner of Customs, Mr. Samuel Chebii, expressed surprise and promised that he would investigate the matter? Was it an accident?

Mr. Keah: Mr. Speaker, Sir, I am not a party to that innuendo or insinuation. I have clearly stated here that once laws are laid down, officials are given the responsibility as well as the authority to execute them. In the process of the execution of the law, it is quite possible that officials did not confer with the senior officials. Therefore, I am not surprised that the Commissioner of Customs and Excise expressed surprise at what had happened; the matter had not been referred to him. There was no correlation whatsoever between the aircraft that was being delivered *vis-a-vis* any other cargo that was delivered at that particular time. All cargo delivered at that particular time which was to be cleared by Kenya Airfreight Handling Limited suffered the same consequences.

Question No. 112

PAYMENT OF EXTRA BONUS TO TEA FARMERS

Mr. Gatabaki asked the Minister for Agriculture:-

(a) when the small-holder tea farmers will be paid the extra bonus agreed upon as one of the conditions for the resumption of tea picking at the end of January this year; and,

(b) when the same farmers will be paid the monthly payment equivalent to the rate paid by private factories which was the main reason for the boycott of tea picking and the violence witnessed in some of the tea regions.

The Minister for Agriculture (Mr. Mudavadi): Mr. Speaker, Sir, I beg to reply.

(a) There were no conditions to be met before farmers resumed tea picking at the end of January this year. Those factory companies whose boards of directors approved the second interim bonus payment to farmers did pay farmers during the months of March and April. I would also like to state that out of the entire 45 Kenya Tea Development Authority (KTDA) companies, only eight are yet to decide on how much they are supposed to pay their respective farmers.

(b) The responsibility of reviewing monthly and bonus payments is vested in the directors of individual factory companies. Any adjustment in the payment rates is based purely on the financial performance and strength of each individual factory company after taking all trading factors into account. Following this procedure, the factory companies recently reviewed their prices upwards from Kshs4 per kilogramme to Kshs6 per kilogramme.

Mr. Speaker, Sir, it should also be appreciated that although the KTDA manages factories, they are in the same business with private companies. The structure and operations sometimes differ and, therefore, one cannot just singularly base the payment by KTDA to farmers on what is paid by the private companies.

(c) I am not aware of the hostility between the KTDA and tea farmers. However, there have been incidents of disagreement between elected farmers and a group of people which has been attempting to form a small-scale tea owners' union. To date, the Government has been engaged in the process of de-linking the KTDA from Government control. Equally, the KTDA has, in turn, been required to de-link itself from the ownership and governance of factory companies. This exercise is progressing well and all measures are expected to be completed within one-and-half years.

In the meantime, I would like to also alert the House that the Ministry of Agriculture is about to complete a Sessional Paper on the liberalisation of the tea industry and the restructuring of the KTDA to decentralise its operations. At the same time, the Government is in the process of revising the Tea Act in order to come up with a legal framework that will distinctly indicate the roles of the KTDA, the Tea Board of Kenya and the role of the Government in the tea industry.

Mr. Gatabaki: Mr. Speaker, Sir, first, I must protest. I have not got the answer to the Question the Minister was answering. I must also protest at the answer given by the Minister. I have had the occasion of sitting in the Minister's office and having him promise Members from tea growing areas that certain decisions would be made and we agreed that farmers should go back to picking tea on condition that the development of factories would be done by the KTDA.

Mr. Speaker, Sir, the issue is, tea is now the largest earner of foreign exchange---

Mr. Speaker: Can you ask your supplementary question, Mr. Gatabaki?

Mr. Gatabaki: Yes. I am coming to the question, Mr. Speaker, Sir. There is no other--- This country has been destroyed. Tourism was the largest earner of foreign exchange, now, it is tea. The issue today is whether the Government is going to destroy tea as it destroyed tourism.

Mr. Speaker: Order! Order! Mr. Gatabaki, this is Question Time. So, would you ask questions? When it is debating time, endeavour to catch my eye.

Mr. Gatabaki: Mr. Speaker, Sir, I am talking about a sector that brings Kshs25 billion annually to this country.

Mr. Speaker: Order! Order! Mr. Gatabaki, if you persist, the Chair will take it that you have no supplementary question and I will be quite happy to proceed to the next Question. Now, I will give you the last chance.

Mr. Gatabaki: Mr. Speaker, Sir, you have been deliberately hostile to me during Question Time. I am talking about a sector which earns this country Kshs25 billion---

(Laughter)

Mr. Speaker: Order! Order! Mr. Gatabaki, you are an enemy of your own self. The Chair has no reason to be hostile to you. The Chair does not grow coffee, neither does the Chair aspire to be the Member for Githunguri. So, will you perform your duty? I am performing mine to ensure that you comply with the rules of the House and thou shall comply! Will you ask your supplementary question?

Mr. Gatabaki: Mr. Speaker, when will the Minister authorise the KTDA to pay the dues agreed upon by the Members of Parliament as representatives of tea farmers of Kshs10 per kilogramme every month? This was agreed upon between the Minister and representatives of tea farmers and the Coffee and Tea Parliamentary Association?

Mr. Mudavadi: Mr. Speaker, Sir, I just want to reiterate that the position I put across in my reply was that the decision as to how much the tea farmers would be paid depends on the directors of each individual tea factory. It is true, we had several meetings with some of the Members of Parliament from tea growing areas but we did not peg ourselves to any figure because it came out quite clearly that the factories have different modalities of operations. Some can afford to pay more than others. So, we could not have a fixed price.

Mr. Gitonga: Thank you, Mr. Speaker, Sir. Would the Minister tell this House how the factory directors of each factory arrived at whatever rate that is going to be paid to the farmers since they do not maintain their accounts in those factories?

Mr. Mudavadi: Mr. Speaker, Sir, they are based on the accounts of each individual factory. The directors from these factories have been meeting and they have got accounts for each individual factory and based on the profits determined, they are able to know what is due to the individual farmer.

Mr. Murungi: Thank you, Mr. Speaker, Sir. I am surprised that the Minister is denying that there was hostility between KTDA and tea farmers. Tea farmers in Meru are planning to go on strike on 3rd August 1998, and they will come to Nairobi to remove the Managing Director of KTDA, Mr. Karanja, specifically, from the office on 3rd August 1998, because the KTDA is involved in a secret plan to privatise itself without involvement of KUSTO and KOTEPA. Can the Minister confirm that this exercise will go on in a transparent manner in which both KOTEPA and KUSTO will be involved in order to prevent the strike and Mr. Karanja from being ridiculed?

Mr. Mudavadi: Mr. Speaker, Sir, I just want to state here that I hope that, that does not happen. In any case, I have already indicated that we are in the process of preparing a Sessional Paper which will give us a very clear account of the future of the tea industry which will be brought here for deliberations. Based on that, progress on the privatisation of the KTDA, and the tea industry in general, shall be clear to all parties concerned. I would like, at this stage, to also point out that only a few days ago, the KTDA called an annual general meeting of their farmers here in Nairobi, and over 500 farmers' representatives, including some members of KUSTO, attended that AGM to discuss certain aspects of the KTDA.

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

Mr. Speaker: Final supplementary question, Mr. Gatabaki!

Mr. Wamae: On a point of Order, Mr. Speaker, Sir. Can KTDA convene an annual general meeting of all the factories under it, when each of those factories has got its own Articles and Memoranda of Association? How can it? Is that in order?

Mr. Mudavadi: Mr. Speaker, Sir, based on the current situation and structure of the KTDA, they have been convening annual general meetings in the same format over the years. The meeting they had last week was a continuation of that tradition and we believe that it was in conformity with their regulations.

Mr. Gatabaki: Mr. Speaker, Sir, could the Minister explain to the House why private processors like the Brook Bond, Ngorongo and Karirana are able to pay farmers Kshs14 per kilogramme and a bonus after every three months while KTDA could only pay farmers Kshs4.30 per kilogramme? After the farmers went on strike, was this increased to Kshs6.00 per kilogramme? Why should there be a difference between what the private processors are paying the farmers and what the KTDA is paying?

Mr. Mudavadi: Mr. Speaker, Sir, I hope that when the Sessional Paper does come to this House, we shall have an opportunity to deliberate on these matters at length. But, clearly, we would like the KTDA to improve on its efficiency so that it can pay farmers more. At the same time, we should also acknowledge that in certain instances, the radius of the individual factories requires that the cost of transportation in some areas will be higher than others, and most of the private tea factories have nucleus estates.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Is the Minister not misleading this House, when every Kenyan knows from newspaper reports that the problem in the tea industry is the KTDA? The KTDA is the squanderer and embezzler of the farmers' money.

Question No.018

LACK OF ESSENTIAL FACILITIES IN CHUKA HOSPITAL

Mr. Mutani asked the Minister for Health:-

(a) whether he is aware that Chuka District Hospital has no surgical, radiography and laundry services; and,

(b) if the answer to "a" above is in the affirmative, and since these services are essential for any medical institution, what arrangements does the Minister have to ensure that the services are provided as a matter of urgency.

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

(a) Yes, I am aware that Chuka District Hospital has no main theatre, radiography and laundry facilities.

(b) In recognition of the fact that these facilities are essential for the institution, my Ministry has provided Kshs200,000 for the purchase of equipment and Kshs1 million for the construction of buildings in this financial year. In the 1998/99 approved forward Budget, my Ministry, under the heading D11-317-400 Construction of Buildings provided a total of K£230,000 to cater for these priorities subject to the enhancement of the Ministry's development Vote ceiling.

Mr. Mutani: Mr. Speaker, Sir, on 22nd April this year, I asked the same Question and the same Assistant Minister requested for more time to go and get a satisfactory answer. Today, he has read the same answer. Why did he waste the time of this House by requesting for more time to go and get a satisfactory answer when he knew that he was not going to get any?

Mr. Speaker: By the way, Mr. Mutani, hon. Members do not waste time. Can you use a better word?

Mr. Mutani: Mr. Speaker, Sir, why did he not answer the Question then, if he had no further answer to provide?

Mr. Criticos: Mr. Speaker, Sir, I was not happy with the supplementary questions and I had to go and carry out further investigations. If the hon. Member looks at several sections of the previous answer to this Question, he will notice that there is a big difference.

Mr. Mutani: Mr. Speaker, Sir, I do not see any difference at all. It is only in pounds and shillings.

Mr. Speaker, Sir, Chuka Hospital has no X-ray, and yet it is a district hospital. Patients travel a distance of 45 kilometres to Embu or Meru to get X-ray services or to be operated on. Can the linen from the maternity wards be taken to Embu or Meru for washing because there is no laundry machine? Can he tell this House what should be done?

Mr. Criticos: Mr. Speaker, Sir, I categorically deny that. In fact, the linen is hand-washed within the hospital. The money that we require for the laundry machine is Kshs560,000 but the Ministry has only been allocated Kshs200,000.

Question No.015

MAINTENANCE OF ROADS IN NYATIKE

Mr. Onyango asked the Minister for Public Works and Housing:-

(a) when the Government will gravel Masara-Karungu Road to make it passable;

(b) when the Migori-Muhuru Road will be tarmacked; and,

(c) how much money the Ministry has used in Nyatike Constituency for the maintenance of roads during the last two years.

The Assistant Minister for Public Works and Housing (Mr. Khaniri): Mr. Speaker, Sir, I beg to reply.

(a) The Government will consider the improvement of Masara-Karungu Road by spot-patching, subject to the availability of funds.

(b) The Government has no immediate plans to tarmac the Migori-Muhuru Road.

(c) During the last two years, the Ministry spent Kshs4.7 million on the maintenance of various roads in Nyatike Constituency.

Mr. Onyango: Can the Assistant Minister tell this House where the Kshs4.7 million was used? As far as I am concerned, nothing has been done on those roads for the last two years. Can he tell us where that money

was used?

Mr. Khaniri: Mr. Speaker, Sir, I have a break-down of the roads where we spent this money. In 1996, we used Kshs619,000 on Road D210 - Masara-Karungu; re-shaping 600 metres between Masara and Mikeyu Road; gravel-patching, drainage maintenance and re-shaping 1.5 kilometres near Nyakwere market and culvert installation for one kilometre. In 1996, we spent Kshs1.2 million on Karungu-Suba Road. During the same period, we spent Kshs120,000 on Road C13 - Migori-Muhuru Road. We also spent Kshs812 on Luanda-Ndhiwa Road during the same period and Kshs103,000 on Giribe-Odoo Road. In 1997, we spent Kshs1.7 million on Road B210 - Masara-Makalidasari.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, notwithstanding the figures which the Assistant Minister has given regarding the repair of the roads, can he ascertain to this House whether his Ministry has, since then, inspected the roads and ascertained for sure, that the money was used for the purposes for which it was intended?

Mr. Khaniri: Yes, we made a follow-up and I can assure the House that the money was spent on the roads.

Mr. Nyauchi: Mr. Speaker, Sir, I am not at all impressed by the figure work, neither am I impressed by the answer which the Assistant Minister has given because I come from Suba District which borders the constituency he has alluded to. As a matter of fact, there is no roadwork along the said road as he has suggested. Is it a deliberate ploy by the Government to ignore certain parts of the country and not repair their roads as is the case with regard to the Question which has been asked by the hon. Member? No work has been done on the road at all.

Mr. Khaniri: Mr. Speaker, Sir, that is not true; there is no ploy. I have given the breakdown on how we worked on this road and that is the truth on the ground.

Mr. Achola: Mr. Speaker, Sir, could the Assistant Minister clarify to this House who is saying the truth in this case? Last time the President promised that Karungu-Migori Road is going to be tarmacked and yet the Assistant Minister is saying that the Ministry has no intention of doing that. Now who is saying the truth? Can the Assistant Minister clarify?

Mr. Khaniri: Mr. Speaker, Sir, I am giving the Ministry's position. The main reason why we are not tarmacking the Migori-Muhuru Road is because the Ministry has no funds. That is the Ministry's position.

Mr. Otula: Mr. Speaker, Sir, I was listening keenly for the mention of any funds being spent on maintaining Road C18 which is probably the only tarmacked road worth mentioning in my colleague's constituency. Unfortunately, there was no mention of any money spent on that road. Would the Assistant Minister clarify whether he is aware that the road which was tarmacked about only two years ago is already damaged? Secondly, are there any arrangements to maintain it?

Mr. Khaniri: Mr. Speaker, Sir, you will agree with me that, that is a different Question and I would request the Member to put it forward. We will carry out investigations and come to answer it.

Mr. Speaker: But he is asking how much money the Ministry has used in Nyatike Constituency for the maintenance of roads during the last two years.

Mr. Khaniri: Mr. Speaker, Sir, Road C18 is not in Nyatike Constituency.

Mr. Speaker: Where is it?

Mr. Khaniri: Road C18 is Rodi-Kopany-Karungu, and Karungu is in Nyatike Constituency.

Mr. Nyanja: On a point of order, Mr. Speaker, Sir. This is a deliberate frustration of the co-operation between NDP and KANU. The President promised that this road would be tarmacked. Who is this Assistant Minister?

(Laughter)

Question No.038

COMPLETION OF KANGEMA-KANYENYAINI-KIRURI ROAD

Mr. Michuki asked the Minister for Public Works and Housing:-

(a) when the Kangema-Kanyenyaini-Kiruri tarmac road was completed and handed over to the Ministry by the contractor;

(b) how much it cost to construct the road; and,

(c) what action the Minister intends to take to ensure that the road is properly maintained to facilitate better transportation of tea, milk and fruit which are abundant in the area.

The Minister for Public Works and Housing (Mr. Kones): Mr. Speaker, Sir, I beg the indulgence of the House that this Question be deferred until tomorrow.

Mr. Michuki: Mr. Speaker, Sir, although I agree with the Minister, I would also like to remind him that he was due to inspect this road on the 5th of this month but he was too busy in North Eastern Province. Would he tell us when he can come to see this road because it is so damaged?

The Minister for Public Works (Mr. Kones): Mr. Speaker, Sir, I will answer the Question tomorrow and we will arrange with the area MP to visit that road within the month of June.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. When a Question is brought before the House, it becomes the property of the House. Now there is a private arrangement between hon. Michuki and the Minister to go and see the road. The Minister said that he will answer the Question tomorrow. Can he tell us why he is not answering it today?

Mr. Speaker: Order, Mr. Ndicho! The arrangement between hon. Michuki and hon. Kones is with the active sympathy of Mr. Speaker. Nevertheless, you are also entitled, if you so choose, to accompany the hon. Members when they go to inspect the road. This Question is, therefore, deferred.

(Question deferred)

Question No. 130

WATER SHORTAGE IN BUNGOMA MUNICIPALITY

Mr. Wafula asked the Minister for Water Resources:-

- (a) if he is aware that there is a permanent shortage of water in Bungoma Municipality;
- (b) if he is further aware that the residents of the town have occasionally been supplied with dirty water which causes water-borne diseases; and,
- (c) what action he is taking to rectify these anomalies and if he could consider returning the management of the water supply to the Municipal Council.

The Assistant Minister for Water Resources (Mr. Chanzu): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the water that is supplied to Bungoma Municipality---

Mr. Kikuyu: On a point of order, Mr. Speaker, Sir. May we be told who is speaking?

The Assistant Minister for Water Resources (Mr. Chanzu): Mr. Speaker, Sir, do the Members want to have the answer or do they want to know who is answering?

Mr. Speaker: First of all, I cannot hear you. What are you saying?

The Assistant Minister for Water Resources (Mr. Chanzu): Mr. Speaker, Sir, my name is hon. Chanzu, the Assistant Minister for Water Resources, for the information of those Members who are not aware.

I beg to reply.

(a) I am aware that the water that is supplied to Bungoma Municipality is not sufficient because the demand for water far outstrips the supply.

(b) I am, however, not aware that the residents of the town have occasionally been supplied with dirty water which causes water-borne diseases. The water that is supplied to the residents of the town is fully treated and thoroughly disinfected daily through chlorination before it is sent to the Municipality.

(c) The Ministry, through the National Water Conservation and Pipeline Corporation, has proposed both short term and long term measures aimed at increasing water supply to the Municipality as follows:

1. Short term measures which are on-going. Replacement of old pumping units in order to improve efficiency of water supply.

Upgrading the clear water by increasing its carrying capacity by use of large diameter pipes.

2. Although my Ministry's policy is to encourage local authorities to manage water supplies within their municipalities, the same is implemented after the local authorities meet minimum conditions which include setting up semi-autonomous water and sewerage departments with independent operations from those of the tanks.

Mr. Wafula: Mr. Speaker, Sir, the Assistant Minister is misleading the House by alleging that clean water has been supplied all along to Bungoma Municipality when it is a fact that brown water containing algae has been supplied to the Municipal Council. Can the Assistant Minister explain why brown water containing algae has been supplied?

Mr. Chanzu: Mr. Speaker, Sir, what I have stated pertains to the National Water Conservation and Pipeline Corporation which supplies treated water to the Municipal Council of Bungoma and its environs.

Mr. Munyasia: Mr. Speaker, Sir, the Assistant Minister has talked about short-term measures and long-term measures and he tells us only too little about short-term measures and says nothing about long-term measures. Be that as it may, could the Assistant Minister tell us the truth because those of us who come from the area know that there is nothing happening in this regard? Could he tell us when his short-term measures are going to start and when he thinks they are going to be completed? When will they be completed so that we can get adequate clean water?

Mr. Chanzu: Mr. Speaker, Sir, the short-term measures are on-going and, as I said, they include replacing the old pumping units and upgrading of the main pumping unit by increasing the size of the pipes and that is on-going.

(Mr. Wafula stood up in his place)

Mr. Speaker: Are you Dr. Richard Leakey, Mr. Wafula? Dr. Richard Leakey's Question.

Question No.049

PROTECTION OF WATER RESERVOIRS
FROM THE HYACINTH

Dr. Leakey asked the Minister for Environmental Conservation:-

- (a) if he could provide details of the Ministry's plans for clearing the water hyacinth from Nairobi Dam; and,
- (b) what action his Ministry is taking to protect other water reservoirs such as those on the Tana River from being over-run by this weed.

The Minister for Environmental Conservation (Mr. Nyenze): Mr. Speaker, Sir, I beg to reply.

The Government intends to address the problem of the water hyacinth in Nairobi Dam through participatory approach involving all the relevant stakeholders, communities, local authorities, the Nairobi City Council, Non-Governmental organisations and community-based organisations and other stakeholders. My Ministry, through a long standing committee; known as the Inter-Ministerial Committee on Environment or more specifically, the National Wetlands Standing Committee, has initiated some action. On April 30th, in collaboration with UNEP, Habitat and World Conservation Union, a one day workshop was held to plan the way forward on how to deal with the weeds in the Dam and indeed, their possible spread to other water reservoirs such as those in Tana River. An action plan was developed and we are soliciting for both technical and financial support for the implementation of the plan. The action plan spells out a wide range of activities that need to be undertaken to save the Dam and the other water bodies from the hyacinth.

Dr. Leakey: Mr. Speaker, Sir, I am sure we are all grateful for the answer given, but I would ask the Minister if he would not consider that we need more than an action plan. Water hyacinth has become the greatest single environmental issue in our country. It is undoubtedly going to destroy the livelihoods and the economy of hundreds of thousands of people. We have a perfect example of the hyacinth problem in Nairobi Dam where it could [**Dr. Leakey**]

be possible to take action, not simply planning. Would the Government consider, through the Ministry of Environmental Conservation, the use of chemicals as an experiment? If the Government, which is broke, cannot find the money for these chemicals, I will find the chemicals so that the experiment can be done.

(Applause)

Mr. Nyenze: Mr. Speaker, Sir, first I would like to advise hon. Dr. Leakey that the Government is not broke. We do appreciate the fact that the water hyacinth has been a big impediment to economic development in areas where it affects the local communities by covering the water bodies.

There are other factors that restrain us from effectively removing it from the water bodies. For example, if we use the chemicals, it will kill the weed very fast, but at the same time, it will kill the fish and all the other living creatures in the water. So, the best thing would be--

Mr. Murungi: On a point of order, Mr. Speaker, Sir. Is the Minister in order to mislead this House that the use of chemicals will destroy other water creatures like fish, while we know that chemicals like roundup are environmental friendly and they do not kill fish.?

Mr. Speaker, Sir, there is a Paper prepared by the East African Scientific and Biological Society which recommends the use of roundup. Could the Minister read such Paper before he makes this misleading statement?

Mr. Speaker: Order, Mr. Murungi! Mr. Murungi you began very well by expounding on what could probably be a point of order. But then you diverted on a frolic of your own. So, we will forget the frolic. Minister, could you answer the relevant bit?

Mr. Nyenze: Thank you very much, Mr. Speaker, Sir. There are chemicals that are friendly but they have to be fully investigated to ensure that they cannot kill the other animals which live in water. Maybe, hon. Murungi has an interest there.

Now, to answer hon. Dr. Leakey's question, my Ministry recommends a mechanical method as the one that is most suited so that it does not affect the other lives in the lake. But, I said earlier, there are other aspects. So long as the Kibera slums continue to pollute the water through their poor sewerage systems, and so long as there is human waste and factories emptying their waste into the water, management of the water hyacinth would be very difficult to succeed because those wastes form nutrients to the water hyacinth. My Ministry only co-ordinates with the Nairobi City Council and other bodies so that we get technical and financial support. We are trying biological, mechanical methods and also making use of those environmental friendly chemicals hon. Murungi is suggesting.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, the Ministry rightly observes that the problem of hyacinth is a great problem environmentally. Hon. Dr. Leakey has asked specifically, what preventive measures are you taking to ensure that the hyacinth does not spread to other water points to which it has not spread? It is very sad that a little dam in Nairobi infested by hyacinth needs a Ministry to organise seminars and so on to clear it. The damn thing is so simple. Take mechanical things there and, in two to three days, it will be cleared. You do not need seminars and stakeholders and all these things you are talking about!

Mr. Nyenze: Thank you, Mr. Speaker, Sir. We are trying to discourage those agents that transfer the seed. All the seeds of this water hyacinth can be spread to other water bodies by boats, birds and human beings. We are trying to monitor everything. The reason why we are saying that our approach is participatory is because we want to protect the other water bodies which have not been infested by involving the local communities; so, that immediately we notice small weeds coming up, we involve the local communities living around the water bodies to participate in removing it physically before it becomes a big menace.

Dr. Leakey: Mr. Speaker, Sir, I would like to ask the second part of my question in a slightly different way. Could the Minister assure this House that with his participatory programme, he is satisfied that the water hyacinth has not yet reached the water reservoirs and hydro-electric schemes of the Tana River? Could he give us a categorical answer whether it is there or not there today?

Mr. Nyenze: Mr. Speaker, Sir, we know the economic importance of our hydro-electric dams. In fact, that is where my main concentration is, because I know it can cause havoc. I would like to assure the House that we are trying our best and my senior officers will not rest until those water bodies where our hydro electric dams are, are not infested. In case they are infested, we will take appropriate action to contain the situation.

(Several hon. Members stood up in their places)

Mr. Speaker: Order, hon. Members! I appreciate the fact that hon. Members are showing a lot of interest in this deadly weed. I think the House must realise that I joined hon. Members in the interest by extending the time. But if you look at the clock, Question Time is officially over. Today, being our first time here, I have been a little generous, but we still have Questions by Private Notice. So, can you also be understanding to Mr. Speaker?

Dr. Oburu, are you happy?

Dr. Oburu: No, Mr. Speaker, Sir.

Mr. Speaker: Okay, ask the last question!

Dr. Oburu: Mr. Speaker, Sir, hon. Leakey asked the Minister a specific question. He wanted the Minister to tell us whether there is water hyacinth in River Tana or not. The Minister appears to be avoiding answering that specific question. Could he tell us whether the water hyacinth is already there or not?

Mr. Nyenze: Mr. Speaker, Sir, I think Dr. Oburu was asleep. I said that there is no water hyacinth in River Tana.

Mr. Speaker: Questions by Private Notice!

Mr. M.M. Galgalo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Sorry, Mr. Galgalo! I am sure there is no lake in Moyale!

Mr. M.M. Galgalo: On a point of order, Mr. Speaker, Sir. Is the Minister in order---

Mr. Speaker: I have already passed that stage. I am on Questions by Private Notice.

Mr. M.M. Galgalo: Mr. Speaker, Sir, I am a Kenyan nominated Member of Parliament, and I represent all Kenyans' views.

Mr. Speaker: I know that very well. Questions by Private Notice!

QUESTIONS BY PRIVATE NOTICE

REHABILITATION OF STREET CHILDREN

(Mrs. Mugo) to ask the Minister for Home Affairs, National Heritage, Culture and Social Services:-

(a) What urgent and remedial measures has the Ministry put in place to rehabilitate street children and other homeless members of the society currently roaming the streets of Nairobi?

(b) Could the Minister, as a matter of urgency, relocate these children to the vacant Nyayo houses in Ruaraka along Nairobi-Thika Road and institute a rehabilitation centre within this estate?

Mr. Speaker: I was asked to defer that Question. So, the Question is deferred to next week!

(Question deferred)

PRIVATIZATION OF ELDORET MUNICIPAL WATER SUPPLY

(Mr. Sambu) to ask the Minister for Local Authorities:-

(a) Is the Minister aware that the Mayor of Eldoret has unilaterally decided to privatize the Eldoret Municipal Water Supply Department?

(b) Is he further aware that the said Mayor has formed a private company known as Eldoret Water and Sanitation Company to take over the Municipal Water Supply?

(c) If the answers to "a" and "b" above are in the affirmative, under which minute(s) of the full Council meeting was the mayor authorised to make those important changes?

Mr. Speaker: This second Question is also deferred to tomorrow!

Hon. Members: Why?

Mr. Speaker: Because I have said so!

(Question deferred)

Mr. Speaker: Next Question, by Mr. Mboko!

COLLAPSE OF KITUI-KIBWEZI BRIDGE

Mr. Mboko asked the Minister for Public Works and Housing.

(a) Is the Minister aware that the bridge connecting Kibwezi and Kitui districts, along the Kitui-Kibwezi Road, was washed away by the *El Nino* rains?

(b) Is he further aware that as a result of the collapse of this bridge, communication has become very difficult and expensive especially from Mombasa, Mtito Andei and Kibwezi to Kitui Town, and that a lot of business has been lost?

(c) Is he also aware that people of the area are using very precarious and risky canoes to cross the crocodile-infested Athi River?

(d) If the answers to parts "a", "b" and "c" are in the affirmative, what action is the Minister taking to have the bridge replaced as a matter of urgency?

The Minister for Public Works and Housing (Mr. Kones): Mr. Speaker, Sir, I beg to reply.

(a) I am aware

(b) I am aware

(c) I am aware

Dr. Awiti: On a point of order, Mr. Speaker, Sir. Is the hon. Minister in order to answer a Question from the Back Bench and yet he is entitled to sit on the Front Bench?

Mr. Speaker: Why are you there, Mr. Kones?

The Minister for Public Works and Housing (Mr. Kones): Mr. Speaker, Sir, the Front Bench is fully occupied.

Mr. Speaker: Hon. Members, I have been seeing many Assistant Ministers, including hon. Criticos, the Assistant Minister for Health and others, answering Questions from the Back Bench, rather than the Front Bench. I think, the Front Bench is crowded. Maybe, if I may give gratuitous advice to the Members on the Front Bench. Those not answering Questions should give preference to those answering Questions. I think, that makes sense.

The Minister for Public Works and Housing (Mr. Kones): Thank you, Mr. Speaker, Sir.

(d) The Government is taking urgent steps to replace this washed-away bridge within the next three months at the cost of Kshs65 million.

Mr. Speaker: Mr. Kones, are you saying that you are asking the Chair to postpone this Question by Private Notice for three months?

The Minister for Public Works and Housing (Mr. Kones): Mr. Speaker, Sir, I have actually answered the Question as follows.

(a) I am aware the bridge has been washed away.

(b) I am aware that there is a lot of suffering being experienced by people who cross over to Kitui.

(c) I am aware that it is posing a lot of danger to the people who cross over this river since it is infested by crocodiles. I have been there personally, and I witnessed people using canoes to cross the bridge.

(d) We are going to undertake works on this bridge which will take three months to be completed and to the cost of Kshs65 million.

Mr. Speaker: Very well, now I understand! Mr. Mboko!

Mr. Mboko: Mr. Speaker, Sir, is the Minister aware that this bridge was washed away over five years ago and the Government has been ignoring the people of Ukambani who use the bridge? Is it in order for him to tell us to wait for another three months when he knows people get killed while crossing the bridge?

Mr. Kones: Mr. Speaker, Sir, I am aware that this problem has caused a lot of suffering to the people of Ukambani. I am also aware that the bridge was washed away about five months ago. The Member is also aware that because of this great concern, I have even been there personally.

Mr. Speaker, Sir, when I visited the area and witnessed this problem, we immediately set aside that amount of money and ordered a bridge specially designed for that stretch which is 80 metres long across River Athi. It will take two months for that bridge to arrive in this country, and one month to be installed. That is the quickest possible means of getting that bridge in place.

Mr. Kiminza: Mr. Speaker, Sir, could the Minister be specific on when work is going to start?

Mr. Kones: Mr. Speaker, Sir, the work was started one month ago when I sent my engineers to go and do the designs on the bridge. We do not intend to use the same bridge that was there. We have designed a different kind of bridge.

Mr. Nyanja: On a point of order, Mr. Speaker, Sir. Some of us are professional architects and engineers. The House and the nation at large is being misled by the Minister. It is not possible to build a bridge that will not be washed away, in 90 days, at a cost of Kshs65 million. What is the name of the contractor?

Mr. Speaker: What is your point of order?

Mr. Nyanja: Mr. Speaker, Sir, is it in order for the Minister to mislead this House, that it is possible to build a bridge that will never be washed away by another *El Nino* in 90 days? This is not possible bearing in mind, the structuring, curing of concrete and reinforcement. Could he table documents to proof his allegations? This House has professionals, and we shall not allow him to mislead us.

Mr. Kones: Mr. Speaker, Sir, I know that hon. Nyanja is a professional in that field, but the Ministry officials have given me these answers. Further more, I will be there to check it. I promise this House that the bridge will be in place within 90 days. Whether hon. Nyanja believes in this or not, it is a matter that this House will see latter.

Mr. Munyao: Mr. Speaker, Sir, perhaps before I ask my question, I might point out that the Democratic Party of Kenya (DP) appreciates that, that side of the House is congested. Therefore, there is need to reduce the number of Ministries.

Our concern, particularly in Makueni and Kitui Districts, is that this road joins two or three districts together. Even Mwingi District is served by it. Of late, the Minister has caused alarm to the Kambas living in these areas. In fact, he is making arrangements to divert the Mtito-Kibwezi main road for a distance of about 12 kilometres. Is that compatible with what the Minister is now saying?

Mr. Kones: Mr. Speaker, Sir, that is a different question.

Mr. Raila: Mr. Speaker, Sir, hon. Nyanja asked a very pertinent question as far as the engineering profession is concerned. Could the Minister tell this House if his Ministry has discovered other building materials with which it will be able to construct the bridge within 90 days?

Mr. Kones: Mr. Speaker, Sir, I do not see any problem here. I have said that work has already started and the bridge will be finished within 90 days. In fact, that is the shortest possible time. I know that there are some engineers here who could do it in 20 days. Unfortunately, the engineers and experts we have put in this job have given me a minimum period of 90 days for the bridge to be completed and I will go by that. I do not want to lie to this House; I do not want to say anything that is not going to be possible. I have said that the bridge will be completed after 90 days.

Dr. Omamo: Mr. Speaker, Sir, the question that drew the attention of the House is about the presence of many crocodiles in that river. Crocodiles can jump high and grab people from canoes. Could the Minister liaise with the Minister for Environmental Conservation so that some of these crocodiles could be transferred to Mamba Village in Mombasa?

Mr. Maitha: On a point of Order, Mr. Speaker, Sir. I am the Member of Parliament representing that area, and I know that, indeed, we do not need crocodiles there. He can transfer them somewhere else because they are harmful to our people.

Mr. Speaker: Hon. Maitha was not on a point of order, but was on a point of denial which does not exist in our Standing Orders. Nevertheless, I think it is a fact that there is a crocodile village, which is also called "Mamba village", in Mombasa. Mamba Village and crocodile village are one and the same place. You can ask Prof. Anyang'-Nyong'o to confirm this.

Dr. Omamo: Mr. Speaker, Sir, thank you for saving me from hon. Maitha. The village is a modern one for rearing crocodiles. I am sure that the crocodiles from this particular part of the river would lead a new lease life in this village. I would like the Chair to find out from the Minister whether the two Ministries could liaise to explore the possibility of transferring these crocodiles to the village.

Mr. Kones: Mr. Speaker, Sir, certainly I would take that advise, but I think it would probably be cheaper and faster to construct the bridge than to transport these crocodiles.

Mr. Mboko: Mr. Speaker, Sir, the Minister is aware that if construction of the bridge is delayed for three months this will adversely affect the people of Kitui and Makeni Districts. This is because most people of Mutomo, Ikutha and other areas in Kitui District do their banking in Kibwezi Town. Of late, most of them have been victims of robbers because it is known that they keep their money in their houses. I would also like to know the country the Ministry will import this bridge from. When I was at Nthange, the Kenya Army was ready to give us a built bridge to be fixed on Athi River. Today the Minister is talking of a built bridge which he intends to import. From which country is he importing this bridge from within two months?

Mr. Kones: Mr. Speaker, Sir, I told the hon. Member that the built bridge he saw in Nthange was half the length of the bridge that he needs to cross River Athi. Therefore, having that bridge out there will not help. We have to do a tailor-made bridge that will span eight metres across River Athi. In fact, the pillars still stand because they have not been touched. So it is a question of just laying the bridge across the river. Probably, hon. Members in this House were worried about the timing. They thought that 90 days is too short period to construct the bridge.

Mr. Mboko: On a point of order, Mr. Speaker, Sir. Is the Minister not misleading this House when says that the pillars are still intact when he knows that some of them were washed away by the *El Nino*-induced rains.

Mr. Kones: Mr. Speaker, Sir, only one pillar was washed away by the *El Nino*-induced rains. The rest are intact and when we bring built bridge it will span the eight metres across the river, and take care of that washed away pillar.

Hon. Members: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, all of you! I think you are now turning this House into a public *baraza*. It is a sign of lack of interest. Therefore, we will move on to the next Order.

BILLS

First Readings

THE KENYA COMMUNICATIONS BILL

THE POSTAL CORPORATION BILL

*(Orders for First Readings read - Read the First
Time - Ordered to be read the
Second Time tomorrow)*

MOTION

ADOPTION OF PAC REPORT

(Mr. Wamalwa on 23.4.98)

(Resumption of Debate interrupted on 7.5.98)

Mr. Speaker: Was there anybody on the Floor? Who was on the Floor? Hon. Mrs. Mugo was on the Floor and since she is not here, she is taken to have concluded her speech. I will give this opportunity to hon. Kajwang'!

Mr. Kajwang': Mr. Speaker, Sir, I wish to contribute to this Motion. I have read the PAC reports for several years. I started reading them even when I was a student at the university, and later on when I was practising law, and I continue to read them even now. In my view, these reports seem to give us the same messages every year. The PAC is no longer a serious body. The Controller and Auditor-General is no longer a servant of this Government. I am saying so because the messages that are written in the PAC reports are similar and repetitive year-in-year-out, that they sound like a stuck record which is irritating to the ear. I would like to say that the PAC wastes a lot of public resources in this country, in their sittings and printing of the reports. I think that these public resources can be put to better use. I think when hon. Members sit for months and months interviewing Government officials, some of them who do not give answers and others who refuse to appear before the PAC, which do not have powers to deal with these officials, it becomes a "toothless bulldog". It is a body that is moribund. It should be wound up. The Government should find a better way to deal with the culprits who misuse public funds. The Controller and Auditor-General, who spends a lot of money going around the country interviewing officials and accounting officers, most of whom do not give him books of accounts makes recommendations accordingly. The PAC calls them but some refuse to appear before it. The Attorney-General is approached for help, but still some of them refuse to come. I urge the Attorney-General to bring a bill to this House to wind up the PAC and the Controller and Auditor-General's Office. They are a waste and a big drain of public resources. I have read their reports and I think that the money which is used to produce these reports should be used to buy exercise books for my primary schools back at home, so that they can do better in the national examinations. We waste a lot of money and no action is taken. It is very pathetic.

If we want to make the Controller and Auditor-General a serious public official, we should give him some "teeth" by making him a prosecutor in a special court dealing with economic crimes and economic saboteurs. If the Controller and Auditor-General becomes a mere investigator, nobody will take him seriously. If he only investigates and appears before the PAC to give evidence, nobody will take him seriously. Mr. Ketan Somaia, Mr. Kamlesh Pattni and even hon. Kajwang' will not take him seriously. I would like to suggest that the Controller and Auditor-General should become a prosecutor, who should adduce evidence before a court dealing with economic criminals and saboteurs. Many countries have these laws and I do not know why Kenya is different. If you go to South Korea, they brought the former Prime Minister to court. India and Japan also did the same. I would like the Controller and Auditor-General to be the prosecutor in these courts so that he can adduce evidence against criminals. In an event of an economic court, laws are changed. I would like the Attorney-General to bring such laws before this House. If anybody does anything that does not follow the rules, he is deemed guilty until he proves himself innocent. That is the law in France. This makes everybody to follow the rules as they are. There are people who break the rules and when you report them to the Anti-Corruption Authority, you will be told that whatever you have is not sufficient to take anybody to court. When you turn to the Attorney-General, you will be told the same. Yet, he accepts that, that person failed to follow the rules. So, how will the economic criminals be punished?

The other day, Mr. Sajjad was asked to pay duty, when he had already committed an economic crime. When he paid the duty, everything is said to be alright.

Mr. Kajembe: On a point of order, Mr. Speaker, Sir. Is the hon. Member in order to mention the name of a Member who is not in the House?

Mr. Speaker: What has he said?

Mr. Kajembe: Mr. Speaker, Sir, he is talking of a Mr. Sajjad who has not paid duty. I think that is mud-slinging!

Mr. Kajwang': Mr. Speaker, Sir, I did not talk of hon. Sajjad. I talked of Mr. Sajjad. I was referring to him as a businessman and not as a Member of Parliament.

Mr. Kajembe: Mr. Speaker, Sir, whether he says Mr. Sajjad or hon. Sajjad, he is referring to the same person, who is not in the House.

Mr. Speaker: Order! Does Mr. Sajjad appear anywhere in that Report and if so, on what page?

Mr. Kajwang': Mr. Speaker, Sir, I was saying that economic crimes---

Mr. Speaker: Order! If Mr. Sajjad's name does not appear in the Report, it, therefore, means that this is a war with him. If you do have a war with Mr. Sajjad, who happens to be a Member of Parliament, bring a Substantive Motion to discuss him.

Mr. Kajwang': Mr. Speaker, Sir, it is a matter of public knowledge that Mr. Sajjad was asked to pay duty after he was---

Mr. Speaker: Order! Hon. Kajwang', one thing that is not done in this House is to attempt, or to appear like you are overruling the Chair. It is only the Chair that can overrule, and it cannot be the other way round. So, will you abide by the ruling of the Chair, hon. Kajwang'?

Mr. Kajwang': Thank you, Mr. Speaker, Sir. Unless this House becomes very serious, the Public Accounts Committee (PAC) is a toothless bulldog, a waste of public resources and it will go down as another body which is not useful to this House. I would like to state that unless the Controller and Auditor-General is given power to prosecute the people who mismanage public funds, we are wasting money and time of this nation. Unless this House takes itself very seriously, it will soon become irrelevant to the nation because the nation knows the economic saboteurs and no action is taken against them. If this House, the Attorney-General, the Controller and Auditor-General and the PAC have no powers to deal with them, then this House becomes irrelevant. Thank you very much.

Mr. Ochilo: Mr. Speaker, Sir, I would like to contribute to the on-going debate on the Public Accounts Committee Report. Just as the speaker preceding me said, the PAC should be wound up. I share that view because year in, year out, we have heard persons mentioned and evidence adduced but no action has been taken. If such evidence was taken to court, those persons would be convicted and the recovery of the monies that have been lost made. The PAC has been unable to deal with these persons, yet they are very well known. These people are going about and are being rewarded by being appointed to senior positions in this country. That is very ironical and sad for a country that would like to revitalise her economy.

Mr. Speaker, Sir, the PAC Report shows very well that the Government is a terrible business partner because it delays payments for contracts that it has validly entered into. The effect of such business partnership has been that those people who pursue Government contracts are people who are inefficient, inept and they may not deliver the requisite standard items expected by the public. In spite of the fact that we have economic adversity, I would like to urge the Government to try, where it is a party, to pay promptly and to reward tenders to the most efficient and lowest bidders.

Thank you very much, Mr. Speaker, Sir.

Mr. Kariuki: Thank you very much, Mr. Speaker, Sir. I do not share the sentiments expressed by my colleagues over the winding up of the PAC. I think this House needs to empower the PAC so that it has the muscle and effectiveness to prosecute the so-called saboteurs and those who have misappropriated public funds rather than just being used as a body to highlight the ills that are taking place in the Government. As alleged by my colleague, hon. Kajwang', it is true that this House needs to be empowered so that when these Reports are tabled here, they are followed up. It is important to implement the recommendations made by the Controller and Auditor-General. By making the PAC a toothless bulldog, we are condoning the ills that are taking place in our society and in turn encouraging laxity and inefficiency in the Civil Service.

It is important for the civil servants to realise that they are watchdogs, looking after the public interest and at the same time taking their duties seriously. And they will not take this House seriously if they realise that there is no action being taken against those people who refuse to discharge their duties honestly. It is, therefore, necessary that this House is given more power to ensure that the recommendations of the PAC are implemented.

When we talk about the collapse of the economy, some of the factors that have contributed to this are the misappropriation of public funds and laxity in revenue collection. We have enough sources of collecting reasonably good revenue from the taxpayers, but there is so much laxity in revenue collection so that we are not collecting enough. Collecting revenue is one thing but ensuring that, that revenue is well spent is another thing.

What is happening at the moment is that most of the revenue that is collected is being misappropriated. One of the areas through which this misappropriation takes place is the District Focus for Rural Development which has taken over the responsibility of the Central Government. The DCs have become small gods and are using the revenue whichever way they want. They are fattening their stomachs at the expense of the public that is becoming thinner by the day. Why is this happening? It is happening because these people are not accountable to anybody. They have ended up perpetuating corruption and bribery through single sourcing and not following the proper tendering systems.

Mr. Speaker, Sir, there is need to review the District Focus for Rural Development and may be scrap it altogether so that we can revert to the old system where the Ministry of Finance is more accountable and acts on cases of misappropriation. Also, we should ensure that the Attorney-General's Office is not rendered irrelevant because, at the moment it is totally irrelevant. It is not doing what it should be doing. If there are people who have been reported in the PAC Reports of misappropriating public funds and they are not being followed up, that is a very serious thing and it should not happen. The police are also idle as far as this aspect is concerned. Either they are too weak or inadequate. Maybe some of the military officers need to be transferred to the police force to reinforce the police arm which has become very weak. Following up cases that have been reported in the PAC requires reinforcement of the police arm. This is the only way they can follow up cases that have been reported thereto.

If we are serious in addressing the economic problems facing our country, it is important to ensure that there is no unauthorised expenditure incurred by the Government without Parliamentary approval. We have had many cases that have been reported in the PAC, for example, the issue of the Eldoret International Airport, the Eldoret Bullet Factory, the Presidential Jet and so forth, where money was spent without Parliamentary approval. This is a very serious thing to happen in a country like ours when we are concerned with proper management of public funds and resources. If there are certain arms of the Government that are not accountable to anybody and are free to spend money the way they want, that in itself is a very serious mistake. Therefore, it is important to ensure that we address the issue of reviving our economy. And if such a thing is to happen then it is necessary that, that economy has managers that are able to manage public funds in the interest of the public. Kenyans are being cheated at the moment because they are not getting their money's worth.

The taxpayer is being taxed by the day and the roads in Nairobi are in a pathetic condition. The drainage system is ineffective such that last week we lost 19 people due to flooding. That is a very serious thing to happen. The City Council has no mandate at all to collect rates and service charge if at all they are not able to offer service to the City dwellers. I think the City dwellers ought to be advised not to pay rates and taxes until the City Council proves it is able to manage those funds. If they cannot manage those funds, they have no business at all being given a penny to manage on behalf of the public. Travelling to Eastleigh, Industrial Area and other parts of the City is saddening. If you go to the less privileged parts of the City like Dandora, Mathare, Mariguini and other areas you will not believe that you are in a city. In fact, the rural areas are better endowed with public utilities than the City itself. In fact, it is sad to find that we, Africans, have no respect for our own people. If at all we make roads in areas like Muthaiga, Lavington and others and we do not have any regard for the less privileged members of the society in Mathare Valley, Kangemi and other areas, it means that we do not care at all for the people who vote us into this House. It is a very saddening situation and I think it is important that we change the scenario and have our priorities right.

More resources should be directed to the less fortunate members of our society. At the moment, we are giving money to areas or people who have the money. The rich people are the ones who are being taken care of, whereas the poor sectors of the economy are totally disregarded. This situation has been perpetuated by some of the ills mentioned in the Public Accounts Committee Report where resources are being misused and nobody is following up the matter. I think we should have a policy in this country that ensures that much of our resources are put in areas which need and deserve attention.

The members of the public out there will going to have no confidence in this House if it does not ensure that funds and revenues collected from them are properly utilised. Now, what do we do to salvage the situation? We have to ensure that officers who are given responsibility to manage funds in the Government do it rightly. We should not condone ills and perpetuation of bribery and corruption. We should help where possible to ensure that officers carry out their duties as expected.

One of the problems we have in this country as highlighted in the PAC Report is the issue of the single sourcing where the old system of proper tendering is not followed. Ministries have certain suppliers and contractors whom they pick through single sourcing system. That should be scrapped altogether and every other office within the Republic, right from the top to the bottom, should ensure that there is proper tendering system of any product or services that the Government may require. The same Report has talked about a commission

fees which is paid to people who have not delivered service. It is important that people are only paid money which they deserve to be paid. I do not see how payments can be made without services being rendered. That is a way of encouraging and perpetuating misappropriation of public funds.

The other aspect which has also been mentioned within the PAC Report is the issue of supporting parastatals and their sourcing of funds from the Central Government. This is a very serious thing. If parastatals cannot sustain themselves, then they have no business being in existence. They should be scrapped and sold out through the privatisation process. Some of them are just there to help syphon money out of the Government. They should be done away with and the sooner this is done, the better. We have very good forums through which this can be done. The Nairobi Stock Exchange is one of them and I happen to have first-hand experience through my 20 years in it. Certain corporations like the Kenya Commercial Bank, the National Bank of Kenya, the Kenya Airways and the Housing Finance Company of Kenya were successfully privatised. The other corporations should follow suit so that the public out there can have access to them. This way, this can become shareholders and stakeholder who will in turn become watchdogs and ensure that those corporations are properly managed.

The Government's business is to collect taxes and offer security so that the business community can run the show. Business is not for the Government and the Government should move out altogether. Civil servants do not know anything about running a business although they pretend to know. They should concentrate on being DCs, DOs and security officers and leave the business people to run the show. There is a great need in this country of accelerating the whole process of privatisation so that more and more of these Government organisations are passed on to the private sector. The Problems we are having in the Kenya Railways Corporation and the Kenya Co-operative Creameries would not be there if these organisations were privately managed. In fact, if all the roads were privatised, they would be in good condition. If I were given the Thika-Muranga Road, I would manage it. I only need to establish a road station and the following day I would have tractors repairing the road. The same would go for any other road or institution that the Government is managing. It is high time we ensured that the Government moved out from areas where it should not be. This is well manifested within the PAC Report. Reading from page one of the PAC Report to the last page, there is nothing that is good. The whole thing reports about misappropriation of funds, bribery and corruption. It is a very saddening Report to read. I would have thought that the Controller and Auditor-General ought to have something good to talk about. He has only earmarked two to three officers who have done a good job. We have a problem in this country. If only two or three Permanent Secretaries were labelled as having done a good job, I am wondering what the others are doing. We are appointing people without considering their capabilities. We are putting the wrong people in the right jobs as a result of which performance has gone down dramatically. Inefficiency occurs because of nepotism and tribalism. I wish this country would go back to the old days where the Public Service Commission recruited people through proper recruitment processes and promoted them through proper promotion processes rather than hand picking people and recruiting or promoting them on nepotism basis. This is a very serious thing and this country is running down a very steep slope. We are just about to hit a very big rock if at all we do not arrest the situation and put the right people in the right places. We keep on putting people, who have proven to be a liability elsewhere, in senior positions. Our sons and daughters will look at us in the years to come and regret why at all their seniors never arrested the situation. We have a big responsibility in this country, as leaders, to ensure that we get back this country into sobriety. If we seem to be led by people who are drunkards or who do not care about the future of this country, then we are in a lot of problems.

Mr. Speaker, Sir, when you look at the issues of raising revenue particularly of rates which are often talked about, it paints a very bad picture. The Nairobi City Council for instance, has about Kshs3 billion which is outstanding in terms of rates. These rates are not collected and, therefore, the City Council has no money to buy trucks to collect garbage. Now, if the City Council has arms through which it can collect funds and yet it is not collecting them, then one wonders why that is the case. This same case applies with the Ministry of Lands and Settlement. I have already said this before and I would like to repeat, that the Ministry of Lands and Settlement has become very slack. They are not collecting land revenues through the various land rates that are supposed to be paid by the landlords of various properties and the land that they own. It is important that the Ministry of Lands and Settlement should start sending out demand notes to the rich land owners who do not pay taxes or any land rates, until there is a transfer of a property. Collection of land rates should be a continuous process. The Government is losing billions of shillings. I am told that if only the Ministry of Lands and Settlement was efficient enough, they would be collecting revenue to the tune of about Kshs5 billion a year through land rates but they do not do it! Instead, the commissioner of lands and his officers are busy soliciting or looking around for vacant offices or plots, so that they can grab them. This is a very serious thing.

Mr. Speaker, Sir, in fact, even land grabbing is a very interesting issue. While the Government denies itself revenue, I do not see a Government which, in its proper senses, gives land away for free, when the market

value of that land is millions of shillings. You find that somebody is allocated five acres on Mombasa Road at Papercon Factory for Kshs1 million and then the following day, the same person sells that plot for Kshs10 million. Why can the Government itself not sell it at Kshs10 million? I find it foolish that the Government does not have sense in selling properties and plots at the market price. This is also happening with the City Council here which is also foolishly giving properties away without proper valuation. I think it is saddening and the public is going to slaughter some of you, if at all you continue doing the type of things that you are doing. We should arrest the situation, be sober and do things that would please the electorate who voted us in.

Mr. Speaker, Sir, I do not want to monopolise the talk today. I would say thank you, very much, for offering me a chance to talk on the Public Accounts Committee Report.

Mr. Ndubai: Thank you very much, Mr. Speaker, Sir. It is very unfortunate that although this Parliament resumed today, I can see that most of the Members have gone out. That itself proves that Kenyans are tired in mind and something has to be done to bring them back to sense. The reason why I am saying that is because I have personally gone through the Public Accounts Committee Report very carefully. I have read it and one will realise that the country has lost direction. We are in a serious crisis whether we accept it or not. That is the truth of the matter.

Mr. Speaker, Sir, the only thing that is left for the country to come back on the right track is that, we have to enforce the Public Accounts Committee to take a bit of control of most of the Governmental departments. This is because if you go through that Report, you will see that there is no single Ministry in this country which has not messed in one way or the other. What I can recommend is that first of all, we must start from our Central Bank. The Central Bank of Kenya staff must be elected. I recommend that this House forms a committee which must be called the Minting and Printing Committee to supervise the printing of our currency. We all know that the currency is the legal tender of every country and if the currency must remain the legal tender of our country, then this currency must be supervised and looked at and, maybe, guided by the proper people who have the interest of this nation at heart.

Mr. Speaker, Sir, the reason why I am saying that is because if I go back a bit to history in 1987/1989 when our economy started deteriorating, it was brought about simply by the minting system of the currency of our country. When we say that the currency is the legal tender of every nation and that it must be protected, then at no stage should a paper be assumed to be a legal tender of a country. The reason why I say this is because during the years 1988 to 1992, our currency had been misprinted, reprinted and consigned to be mere paper money. The reason why I say this is that in 1982, the Government, without the supervision of anybody and without the existence of that committee that I am talking about went ahead and printed the money. From that time, the Government removed that paper money out of the market. The Government once more allowed the money barons to mop that money out of the market because there was no controlling body. That led to the Government itself, trying to mop that money out of the market. By doing so, the same Government went ahead to import more money from other countries and it started to remove that paper money out of the market. By doing so, they killed the class of the community which is the backbone of the economy. By so doing, they made the interest rates on loans in this country to be so high that, it reached a stage whereby the Government, the Central Bank and the Treasury could not control it. By doing so, the same money barons, including the commercial banks decided to lend the money only to the organisations without any collateral guarantees.

Mr. Speaker, Sir, by doing that, they went to collect money which has no risk; that is the paper money which they were lending to the Government without any controlling body, or committee to control that money. The Government went ahead selling that paper currency which it called treasury bills. That is why I am saying that we must make the Public Accounts Committee to keep on checking the eventualities of this nature and they can only do that, if they are empowered by this House. The reason why I am saying so is that, if you go back to the last two to three years, there is a stage when the interest rates in this country soared to about 32 per cent. The banks were not actually lending the money but they were only selling the paper money. That is, the banks were buying paper money from the Government at very high interest rates which led to them selling them to the private citizens of this country, who could have improved the economy of this country.

Mr. Speaker, Sir, I agree with one of the previous speakers who said that it is not the business of the Government to invest in business ventures but the basic business of the Government in any country is to provide security. So I would think for this Government to fulfil its duty, then it should leave the question of business to be done by businessmen.

Mr. Speaker, Sir, the Government can only do that when we have a committee like the Public Accounts Committee, which should ensure that the Government does not go into business. The reason why I am saying this is that, the way our economy is today, people might say it is in the intensive care unit. But I want to say that the economy of this country is one of the most stable economies. But it is an economy which is running on itself;

nobody is pushing it and it has been left to grow on its own. I do not think that this country would have survived for the period it has survived, if it was not economically strong. This is because since 1982, about 16 years ago, there has been no serious economic management of this country. I believe since the attempted coup in 1982, the head of state with all the Government machinery left the economy of this country to roll on itself. The only way to bring it up is to empower a committee like the Public Investments Committee, so that it becomes a watchdog of the economy. I think that can be done by this House. If this House can empower the PAC and PIC, then we would be talking of a strong economy. But as we talk today, I do not believe we have any direction and there is nobody sincere enough to tell us which direction the economy is going.

Mr. Speaker, Sir, I can never imagine a Government which has repeatedly allowed the printing of money, calling them Treasury Bills. Those Treasury Bills which are being printed every day and advertised in the media and sold every week, are the same ones which are going to wreck the economy. I can assure you that, it does not matter how much we talk in this House or how much we try to revive our economy, as long as money is being printed and pumped into the market every day. This economy will never be stable again until it reaches a stage when the Government says: "We have reached a stage where we do not have to print any more paper money." The reason why I say this is because the Government in this country is a one-man show. Nobody can tell you today who is controlling who! Nobody can tell you who is controlling the economy! It is neither the Minister for Finance nor the Minister for Planning and National Development, or anybody else. The economy is entirely left for every Tom, Dick and Harry. If you see the Ministries which have been created in this country, the 27 Ministries could be slashed to a maximum of 16 Ministries if this Government was serious. If you look at this PAC report, every single Ministry has lost colossal sums of money because of the carelessness of the Ministers and their Permanent Secretaries. Our Permanent Secretaries have an appetite of every car which comes to the market. Name any car which comes into the market and the Permanent Secretaries and Ministers buy them without caring whether they have been given the money for such vehicles or not. That is the reason why I am saying this House has to empower the PAC and PIC, so that they become the watchdogs of the Government. In real sense, we thought the Opposition would be the watchdog of the Government. But seeing the system of our Opposition and the Government, the Opposition has failed and it is entirely the duty of this House to make the PAC and PIC to be the watchdogs of the Government. If we are really serious about that, then we must sit down and find the methods and modalities of doing that, if anybody is seriously thinking of making this country economically stable.

Mr. Speaker, Sir, people are talking about the economic tigers of the Far East and Eastern Europe; for example, countries like Poland and Romania whose economies are growing rapidly. Those economies are doing well because of proper management, and until we have serious economic managers to run our economy, we may not get anywhere. When we talk of our economy being in the intensive care unit, we are sending the wrong signals to the international community that our economy is collapsing, yet that is not the case. It is rather the system which is collapsing and not the economy. I would like to say that for this economy to be really put on the right track, we must have proper managers to manage Government parastatals and improve those which are not being properly run. I would like to suggest that, it is the duty of the Government to sell some of its properties. The Government is an institution which owns a lot of property. I want to suggest that the Government sells a portion of the Karura Forest as well as some of its buildings and use that money to jump-start the economy. The Government should sell all the public parastatals like the Kenya Posts and Telecommunications Corporation and the Kenya Railways Corporation for the benefit of Kenyans in general. Of course, we cannot sell everything to salvage the economy. The economy can be salvaged in very many ways.

Mr. Speaker, Sir, we have talked about the economy being in the intensive care unit. That kind of language, especially coming from the Government, must stop. The Government must stop trying to blame the economy. It must differentiate between economic mismanagement and a collapsed economy. People think that when a Government collapses, the economy will also collapse. But I can say that when the economy collapses, it also collapses with all the private investors. I will only ask the Government to give security to private investors, so that they can help the economy, because the duty of the Government is not actually to make the economy strong. It is for the Government to provide the security and then the business people can make the economy strong.

Mr. Speaker, Sir, I would like to suggest three things which the Government should do in order to revive the economy of this country. The Government must sell portions of land which are relying idle. For example, it can sell Karura forest, Ngong forest and any other land in its possession in order to put the proceeds into the ailing economy, or use them to pay local debts. We all know that the Government has borrowed heavily from the commercial institutions. The Government has a local debt of about Kshs160 billion. About 27 per cent of the total revenue collected by this Government goes to service local debts. After the Government has serviced the interest of its local debts then it is left with nothing to invest in other areas. That is the reason why I am suggesting that the Government should sell all its idle properties in order to pay off its local debt and remain with

only external debts.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

The Kenya Government uses only 16 per cent of its revenue to pay interest on all the money it has borrowed since Independence from all lending institutions in New York, London and Tokyo and other financial centres. Therefore, the problem of our economy does not originate from New York or London or Washington, but it originates from Harambee House. That is the only source of economic problems in this country. If the Government is serious about bringing the economy back on the right track, then it must be able to pay off all the local debts. The Government should not borrow locally and use the same money to pay external debts. It must raise money locally in order to service the local debts. I have said that the only way for the Government to raise money is to sell off all its idle property. It is the obligation of the Government to sell all its idle property in the interests of the larger community. If it does that and closes all the loopholes in tax collections then the economy can come back on track. There is no point for the Government to talk about reviving the economy or borrowing Kshs300 million from outside while corruption is consuming Kshs500 million every day. There is no need of the Government blaming the teachers' salaries for the poor economic state in this country. The Government should not reduce the number of teachers in this country when we have a number of idle Ministries. The Government has Ministers for Foreign Affairs, East African and Regional Co-operation, Environmental Conservation, Natural Resources and so on. All these Ministries are irrelevant to the growth of the economy. The Government must be serious about reviving the state of our economy. It is the duty of the Head of State to see whether Ministries in his Government are relevant to the growth of our economy or are a gift to his supporters. The President cannot continue giving his friends gifts so as---

QUORUM

Mr. Kariuki: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for us to continue without a quorum in the House?

Mr. Deputy Speaker: Order, hon. Kariuki! We have a quorum. Next time, do your arithmetic right! Proceed, hon. Ndubai.

Mr. Ndubai: Mr. Deputy Speaker, Sir, all that I was saying before I was interrupted is that for the economy to jump-start we have to be very serious in every aspect of our economy. I am requesting the President to reduce his Ministries to 16 in order for us to reduce our expenditure. From this Report we realise that the Ministries are used to loot money in this country. I have talked of very many Ministries overlapping each other. For example, I do not see why we should have the Ministry of Foreign Affairs and the Ministry of East African and Regional Co-operation, or the Ministries of Environmental Conservation and Natural Resources and so on. I believe that the President can reduce these Ministries and remain with only 16 Ministries. With 16 Ministries the Government can check areas where the Country is losing a lot of money.

We should empower the PAC to become the watchdog over the Government rather than the Opposition. I would like also to propose that we set up a committee to be responsible for minting and printing of our currency. Currency is a legal tender of every country. The reason for suggesting that we set up such a committee is that recently, we have witnessed paper money being printed carelessly by this Government. Now, the Government and the Central Bank of Kenya are selling paper money in the name of Treasury Bills. By so doing, they have "killed" the economy. As we are talking today, the Government has over Kshs167 billion in the money market in form of Treasury Bills. This House must empower PAC to be the watchdog over the Government and also set up a committee to oversee the minting and printing of our currency in order not to allow the Central Bank of Kenya to hide behind Treasury Bills in future. There is no way the Government can allow the Central Bank of Kenya to continue printing and selling paper money at the expense of our economy. Once Treasury Bills are floated to the public, it is the commercial banks which buy them at an interest rate of 27 per cent since there is no risk involved.

What will happen? Ordinary business, which improves the economy of the country, will be "killed". No commercial bank is ready to give loans to ordinary wananchi because there is risk involved in giving out loans. It is better for the banks to buy paper money instead of giving loans to Kenyans.

The PAC must be empowered in this House to oversee the printing of the currency and ensure that no paper money will be converted into real money. The process of converting paper money into real money will take time but at a certain point the Government will use it as legal tender. The Government can, for now, enjoy the

use of this paper money, but the economy of this country will be destroyed.

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

Mr. Koske: Thank you Mr. Deputy Speaker, Sir, for giving me this opportunity. I really want to contribute to the Motion on the Public Accounts Committee (PAC) Report. But before I make my contribution, I would like to highlight one issue.

Mr. Deputy Speaker, Sir, a lot has been said about those who have been appointed to head various Government parastatals. The wrong notion has actually been inculcated in our minds in the sense that it appears that one of my colleagues who stood before me, said that appointments are made on clan basis. What I want to stress here is that it is very unfortunate because some certain communities - and I am specifically referring to the community that I belong to - this usually ought to---

Mr. Munyasia: On a point of order, Mr. Deputy Speaker, Sir. The hon. Member who is on the Floor appears to be talking about public corporations which should be in the Motion to be debated after this Motion. Is he in order---

Mr. Leshore: Sit down!

Mr. Munyasia: Mr. Leshore, I am not in KANU. So, you are not my Chief Whip.

Mr. Speaker, Sir, is the hon. Member on the Floor not being irrelevant by talking about public corporation appointments when we are about to debate that particular subject in a Motion when he will have the time to make his remarks? I think he should restrict himself to the Motion on the Public Accounts Committee Report which is the subject of discussion now.

Mr. Deputy Speaker: Hon. Munyasia, he only did that to the extent that another Member had made reference to those corporations. So, he is quite in order to refer to them.

Mr. Koske: Thank you, Mr. Deputy Speaker, Sir. What I was actually highlighting here is that sources of misallocation of funds are actually the parastatals. I was highlighting about the appointments of the heads of these parastatals. I am trying to get at the root cause of this problem here. So, what I was simply saying in this case is that since--- I specifically mentioned my community. We opt to be employed. That is why most of us are in the employment as opposed to members of other communities who opt to do business. That is why it will be disproportional and this one will always be pointed out probably, as a reason that may have contributed to this problem. What I am saying is that irrespective of that issue, most of the parastatal heads do not actually belong to one community. They also come from many other communities. I was actually proposing that in order to minimise this problem of misappropriation of funds, we should find a way of appointing these parastatal heads. We could do this through a parliamentary or Government committee. This committee should be given the task of appointing parastatal heads. I have in mind one parastatal - Rivatex, whereby---

(Loud consultations)

Mr. Deputy Speaker: Order! Can we have order, please!

Mr. Koske: Mr. Deputy Speaker, I would really want the Government to give Kenyans an enabling environment. When I talk of an enabling environment I mean the bodies that were set up by the Government to offer loans to either farmers or industrialists so that these people can generate income to better this country's economy. A lot of money has been lost through KIE and ICDC. The people who have been advanced loans - I am specifically zeroing in on Kenya Industrial Estates - are small-scale industries. I am talking about women groups in rural areas which were given funds without being given the right information. Because of that, you find that at the end of it all, these groups do not run their business in the appropriate manner. They end up defaulting in repaying the loans they acquired and the result of this is that the money that they might have raised ends up not benefiting them. The economy also does not benefit as a result of them not having been trained by these lending organisations. So, for the loans being given to these small-scale industries to be effective, some form of managerial education needs to be given to these people when they are being advanced these loans so that they can make better use of the loans they acquire.

Mr. Deputy Speaker Sir, the other issue I wish to highlight is that of land being given out by the Ministry of Lands and Settlement for speculative purposes. You will agree with me that a lot of land is always allocated at far below the market value. As the Government tries to raise money to meet its budgetary needs, you find that some of the proceeds are given out and used in turn by allottees for speculative purposes. This money would actually have been used by the Government to improve the lot of these Kenyans. That is why I am saying that wherever there is land that needs to be disposed of, the Government should advertise this land so that it can be sold at the market value. Unless we do this, the Government will always be faced with financial deficits leading to

borrowing money from the local market. That is why at the moment when you go to any bank to borrow some money even if your project is viable, the banks will not lend you any money. The Central Bank of Kenya has instructed commercial banks not to lend out money. So, the big question is: Where are those people who have viable projects and are willing to invest going to source the money that they will invest and improve the economy of this country? That is why I am saying that all the avenues the Government has of raising money should be used in the appropriate way so that money can actually be raised to pay up the local debts so that other money can be given to people with viable projects which will contribute to the well-being of the country's economy. Another area that the Government needs to address itself to is this issue of the Agricultural Finance Corporation (AFC) and the loans availed to farmers. All of us know that agriculture is the mainstay of this country's economy and unless we improve the lot of farmers by availing finances to them, we might really not do much.

When I was making my maiden speech, I highlighted the case of some barley farmers and said that initially, Kenya Breweries refused to provide farmers with 100 per cent financing. But when the beer market was liberalised and when a South African brewery came into the market, what happened is that KBL decided not to fully finance the barley farmers. Instead, they have asked the farmers to put in 60 per cent of the total amount of money they need to grow the barley crop. What the farmers decided to do is that they opted not to grow the crop because they do not have the money to put into the production of this crop. This way, we will end up not growing enough barley in this country. We will not be able to assist the farmers who actually used to depend on KBL in growing the crop and the end result will be that money meant for use in the country will have to be used to import barley for the manufacture of beer by brewing companies. So, you will find that at end of it all, we are not really helping the farmer.

So, what I am saying is that as much as liberalisation is good, ways and means of protecting farmers need to be found to enable them continue with their farming. There are plans that have been mooted and advanced; plans of setting up an agricultural bank. But you find that at the end of it all, the AFC, which was supposed to be loaning these farmers no longer provides these loans simply because the loans that the corporation had given out have not been recovered and hence it does not have money.

Mr. Kikuyu: On a point of order, Mr. Deputy Speaker, Sir. I have been listening to the hon. Member quite well and I think you are also very attentive. Is he talking about the Public Accounts Committee Report or about the AFC and the problems he has in his constituency about farming?

Mr. Koske: Mr. Deputy Speaker, Sir, I was just highlighting some of the problems facing farmers in my constituency. I was pointing out that because of this misappropriation of funds by the various ministries, farmers in my constituency are suffering. There is need for proper economic management, checks and balances in the way Government money is used so that at the end of it all, farmers who form the back-bone of the Kenyan economy are provided with essential services or they should get the loans they need in order for them to "oil" the economy of this country by improving on the production of essential products. All in all, I am saying that it is the duty of the Government to put in place measures and machinery which ensure that monies that have been voted for projects are actually used in the most appropriate manner. When a Government officer fails to utilise money which has been set aside for a particular project, the end result is that many people suffer because of the lack of implementation of that particular project. If money voted for particular projects is not used for the intended purposes, then it has a spill-over effect and ends up affecting other sectors of this economy. So, if we do not put measures in place to make sure that those charged with the responsibility of taking care of Government money do their work properly, we will end up wasting these resources here and this country might not make any headway in its development.

With those few remarks, I beg to support.

Mr. Kikuyu: Mr. Deputy Speaker, Sir, I have once served as a Member of the Public Accounts Committee and we have watched with regret the donkey work which the Public Accounts Committee is supposed to do. It does a lot of work, wastes a lot of public funds and in the end, those people who have been caught napping with Government money in their pockets are left in the same Ministries, same offices and they continue robbing the Government further.

Mr. Deputy Speaker, Sir, there is a culture which has been nurtured in this country and I believe that the KBC and the rest of the Press must try to check it. It is a culture which hurts everybody. It is driving people into madness so that a Permanent Secretary or a Minister is expected to own a very big shamba or a big car and so on. In short, our culture is pushing people to become thieves. I have been a Member of Parliament and people wonder why I am not driving a Mercedes Benz like hon. Awori. It is pushing us hard in order to acquire money through unorthodox means. Everybody in Kenya is informed. In the 1970s and 1980s, people did not know the value of things. Most of our Permanent Secretaries, Ministers, Members of Parliament and senior Government officers are driving vehicles worth over Kshs10 million. That is equivalent to a factory! That is one individual

moving on a "four wheel factory" and he goes to the rural areas and says: "I, as the Permanent Secretary in the Ministry of Water Resources, inform you that we have no money for employment" and the Minister will always echo the same sentiments wherever they go, and yet, he is driving a vehicle which is worth a Kshs10 million factory! Kenyans can judge for themselves and we can no longer cheat them. Once they declare that enough is enough, the 10,000 of you who are oppressing the 30 million beggars will be in big trouble. We can say that the Public Accounts Committee is nothing, It has said this and that and nothing has been done. But we should ask yourselves; when the 30 million beggars will rise against the 10,000 rich ones, what will we do?

Mr. Deputy Speaker, Sir, this country has been impoverished and made the poorest nation in this world, not by thieves from Uganda, Somalia or any of the neighbouring countries. It has been impoverished by Kenyans themselves. The tendering system in this country is so crooked. The rule is that a tender is given to the lowest bidder but in our situation such a tender is reviewed after two weeks even before the contractor moves to the site. The NSSF building attests to this fact. The old block is now falling apart. The Co-operative House is also an eye-sore. Our roads are also in a pathetic state despite the much money which we put into them. The contractors even do not do standard work because their work is to steal from the Government. How do we have contractors sitting with Government officers and conniving to steal from the Government and they tell us that the economy is in the Intensive Care Unit? How can they tell us that? They should return what they have stolen so that we can resuscitate the economy. In that regard, I commend the directive by the President on Madaraka Day that those Kenyans who have money outside this country should return it. It is high time that Kenyans became serious on how to solve the problems afflicting this country, especially those who have been looting this economy, thinking that there is somewhere to run to. They should know that Mobutu had nowhere to go. He had to be buried by seven people only when he died; that included his son, wife, a relative, a pastor and probably a dog near the cemetery. We must not engage ourselves in wanton looting of our economy thinking we can run anywhere. If the Somalis, who looted Somalia are here with us and are suffering, please let us not be looters of our economy for the sake of having a Mercedes Benz in order to be called "flashy" and so on.

Mr. Deputy Speaker, Sir, it seems as if the Government is cheating Kenyans by sticking to the 8-4-4 system. It seems that the entire Cabinet has agreed that the 8-4-4 system of education is bad. Most of the children of our Cabinet Ministers do not attend the 8-4-4 system of education. They are enrolled in Brooke House and other schools with the GCE orientation. Why do we have two systems of education in this country? Why is the Government cheating the poor people of this country after stealing from them? It is with these observations in mind that I say that the public Accounts Committee must be empowered to prosecute and even take people to court if they are found to have stolen. The Office of the Attorney-General has been complacent on the issue of the looters of Government coffers. It is unrealistic for most of us when we see this. We have been to school, even if we are not technicians or qualified professionals. Ten years ago, the cost of tarmacking a Kilometre of road was about Kshs 1 million. The depreciation of the shilling against the dollar has not gone over ten times. Now the cost of tarmacking a Kilometre has gone up to Kshs 20 million. Is there not some stealing here? Although I am not a technician, this is stealing directly from the Government. The officers in the Ministry of Public Works and Housing know the cost of tarmacking a road yet, they agree when it is inflated to 20 times more. Kenyans are prepared to pay taxes but we shall no longer watch our tax money being embezzled by a clique of about a 100 looters. We want to pay taxes and get services, but not to get reports from the Controller and Auditor-General every now and then that the money has been stolen. This is too much for Kenyans and yet, the Government wants people to believe that it is doing the right thing.

It is time for the Government to prosecute those who have stolen from it according to the reports of the Controller and Auditor-General. It should also recover the stolen money, from the culprits. You cannot allow a thief to live in Muthaiga just because he has stolen. Everybody would like to live in Muthaiga but you have to work hard in order to live there. We should not be thieves. How can we claim to be proud of a nation where the biggest thief drives the best car, lives in the poshest estate and takes his children to the best schools around the world. Is that the nation that we want to build? Is it the nation that we are calling a christian nation of Kenya? It is too much and too hurting. Wananchi are bleeding through taxation. The Public Accounts Report indicates that money has been misappropriated and nobody seems to be taking action. We have an anti-corruption authority in this country being paid by the same tax payers who are suffering. The Attorney-General and the police, after being told that pipes were illegally sold to a certain Asian, take no action. Will I arrest the Asian and the PS who took those pipes and take them to court? Do I have the powers to do so?

Why should we continue to pay taxes to a Government which is not protecting our properties from being looted? The biggest expenditures which are not authorised by this Parliament in the Public Accounts Committee happen to be those of the Office of the President. We could have forgiven them if they were doing some serious work. But during the period that we are talking of, there were tribal massacres, policemen being killed in their

stations and insecurity which led to the collapse of our tourism industry and other industries in this country. Why should they use money without authorization of Parliament when there is no national emergency? What catastrophe was there? Nothing was done by the Government to combat the effects of the *El Nino* floods, except moving one bridge from Nanyuki to Kibwezi. The other thing was the ferrying of Members of Parliament on a leisurely trip to Bombolulu for burial while they could have travelled earlier by train or buses. Why do we waste money and at the same time say that we are broke?

Mr. Deputy Speaker, Sir, if the Government of Kenya, as is constituted today, does not change its policy of misusing taxpayers' money, we can be assured of its collapse within the next two months.

The Assistant Minister for Finance (Mr. Keah): Mr. Speaker, Sir, I rise to contribute to this Motion on behalf of the Government. In doing so, I want to thank various people on behalf of the Government. The first is the Controller and Auditor-General and his staff.

(Mr. Kalweo stood up in his place)

Mr. Deputy Speaker: Order! Who is that hon. Member who is standing there at the back? Order, hon. Kalweo! Sit down.

Proceed, hon. Keah.

The Assistant Minister for Finance (Mr. Keah): I take this opportunity to thank the Controller and Auditor-General and his staff for the efforts made, in making recommendations after auditing the public accounts. I also want to thank the Public Accounts Committee and the National Assembly Staff as well as all the Government staff and everybody who was called and turned up, including members of the public and gave representation to the questions that were put to them. After the House has deliberated on these accounts, they will go to the Treasury, and thereafter, the Treasury will prepare its usual memorandum detailing the action to be taken. This will be done in due course. At the outset, I must say a number of things. In these recommendations, there seems to be an absence of time element within which action should be taken. It is, therefore, my recommendation that in future, a time limit should be put on such recommendations within which action should be taken, in order to get Ministers on their toes, so that issues are not protracted from one year to year with no action being taken.

Mr. Deputy Speaker, Sir, year in, year out, we read more or less the same recommendations because of various reasons including the fact that there is considerable delay between a transaction taking place, and the audit by the Controller and Auditor-General of that particular transaction within the year in which the transaction was committed. There is also delay between the time the Controller and Auditor-General makes his report and the time taken by the Public Accounts Committee to review the same. Thereafter, there is yet some further delay between the report by the Public Accounts Committee and the debate by Members of Parliament. This is why year in, year out, we read the same things.

Mr. Deputy Speaker, Sir, for example, this is June 1998 and we are talking about the Report of the Public Accounts Committee of 1993/94---

Mr. Munyasia: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Keah not misleading this House by telling us that, this Committee Report does not contain any time element on when certain recommendations should be completed or effected, when, just at random I look at page 344 of the 1994/95 Report--- They say here at the top of the page that "the Committee therefore recommends that the Accounting Officer hastens efforts to clear the remaining items by 30th June, 1997."

If you look at the following page; 345, they are again saying that:-

"The Committee, therefore, recommends that the Accounting Officer should ensure that all the above issues are cleared forthwith."

Mr. Deputy Speaker, Sir, those are time elements. So, is hon. Keah not misleading this House that there is an absence of that in this report?

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, perhaps, I should qualify that, not every recommendation contains that kind of time limit and it is my observation that some of the recommendations do not contain that time limit. That is why I suggest that the time limit be included there in every recommendation. But I take the point which hon. Munyasia has made that, indeed, there are some recommendations that do have time limits. I have just elaborated the fact that we are debating today, June, 1998, the Public Accounts Report for the year ended 30th June, 1994, and indeed, the Accounts for 1994/95 as well. This time lapse renders it almost difficult to be up-to-date and makes it almost impossible to take the necessary corrective action with regard to commitments or misdemeanours committed in 1993.

Mr. Deputy Speaker, Sir, what I am saying here is that, we as Members of Parliament must really try and make every endeavour to be up-to-date with the accounts, reports and the debate here; so that as we talk now, June, 1998, we should be discussing the accounts for the year ended 30th June, 1996. This is what we should be doing and, indeed, the law provides for that because come 30th June, 1998 the accounts are supposed to be presented to the Controller and Auditor-General four months after and three months after the accounts have been submitted to the Controller and Auditor-General, they are supposed to be presented to the Minister who, within 14 days, must table those accounts in this House.

Therefore, what I am suggesting is that, special efforts must be made to adhere to this time limit that is provided for in the law. Failure to do that, or continued failure to do that, will really be like flogging a dead horse because those who committed the offenses in 1993/94, are either dead by now or they have found some haven somewhere and we cannot even reach them. It is important that this point is taken full cognizance of and all I am urging is that, the Public Accounts Committee itself should move pretty fast. Unfortunately, we do not have a time limit for the Public Accounts Committee to present its Report. That was not stipulated. It is time we stipulated the time by which the Public Accounts Committee ought to report to Parliament, in order to make it mandatory that Parliament should also debate those accounts by a certain date. I think if we did this, we would really be up-to-date with our accountability and governance of the public accounts of this Republic.

Mr. Deputy Speaker, Sir, let us speed up the process by which we dispose off the business of the Public Accounts Committee. Indeed, this is normal commercial practice and I see no reason whatsoever, why we, as the Government and within Parliament, cannot follow commercial practices when it comes to business.

Mr. Deputy Speaker, Sir, I also want to make certain observations with regard to the recommendations in this PAC Report. The Public Accounts Committee is a committee of the House. It is a committee of Parliament. We have given them the responsibility, on behalf of Parliament, to look at and scrutinise the report of the Controller and Auditor-General and advise us.

I also note with concern, as did the Chairman of the Public Accounts Committee, that there was lack of consensus in the recommendations that were made. I think, this is really most unfortunate and I totally agree with the Chairman of the Public Accounts Committee that such a thing is really untenable and we must do everything possible to avoid it. We must not leave any stone unturned, inclusive of utilising all the necessary machinery available within the Government, to make sure that we are absolutely together and unanimous in our reporting to the House. This is because if the Public Accounts Committee comes here divided, what are we supposed to do? Are we supposed to take the opinion of "A" or "B" ? This is really a weakness and it is incumbent upon this House to make sure or to urge that the Public Accounts Committee comes here with unanimous recommendations. Even if it means employing auditors, I would ask the Public Accounts Committee to try and employ specialised personnel, if they need them to assist them in the work of determining whether an item is correct or wrong.

For example, there are various issues here of reconciliation; reconciliation that has not been done. If in accounting sense a reconciliation has not been made, it does not mean that, that is a fraudulent aspect. Indeed, what I am recommending to the PAC, if they find something that they are unsure of, they should call professional auditors to assist them.

Therefore, I am urging the Public Accounts Committee (PAC) to seek the services of professional accountants so that when they come here, they can prove that the Report has been audited and facts have been checked properly. I am saying this because, subsequent to the Controller and Auditor-General's and PAC Reports, there is enough evidence to show that some of the recommendations are flawed. There is glaring information which does not tally with the recommendations. This Committee is here to assist Parliament. If it is also making recommendations that are flawed, then we are not helping the process of good governance and accountability.

Mr. Deputy Speaker: Mr. Keah, I hope the Chairman of the committee will respond to that. But when they sit down to compile their Report, they have to consult the Controller and Auditor-General and the Accountant-General at the Treasury. Who else can they go to apart from those two?

The Assistant Minister for Finance (Mr. Keah): Mr. Mr. Deputy Speaker, Sir, I am saying that some of the correct information was ignored. There is a specific item in the 1993/1994 Report which calls for--- I am making reference to paragraph 47 on page 29 which states:

" The Committee heard the evidence given by the Accounting Officer that an advance of K£535,387.10 was made as part payment of the contract price of K£1,784,625 in respect to professional and technical services necessary for the implementation of Government Budget and expenditure control system, which was subsequently discontinued."

I have a letter here showing that, that item was subsequently discontinued. The Report further says that, that money should be refunded to the Government and yet, there was a letter from the Treasury, which I believe was handed to both PAC and the Controller and Auditor-General, showing that those funds were used for services

rendered to the Judiciary Department. That information is not available here and as a result, the recommendation is really not in resonance with the facts that are available. The letter I am talking about was dated 15th November, 1990, and it contained that information. I conferred with the Financial Secretary and he told me that the money was used on another project. Therefore, it is superfluous to recommend that the money should be refunded. Those are some of the points which we should prove. Matters of this nature should be followed to the end.

Mr. Kariuki: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to try to draw sympathy from us in respect of payments which were made in advance for services which were not rendered? Are there no proper procedures to ensure that services are rendered first and then payment is made later? You should not start by paying. With due respect to the hon. Assistant Minister who has been in the accounting profession for some time, he is aware that there are proper procedures used in paying for services. I do not think it is wise for him to criticise the Controller and Auditor-General for---

Mr. Deputy Speaker: Order! Order! Hon. Kariuki, you are really arguing with the Assistant Minister. What is your point of order?

Mr. Kariuki: Mr. Deputy Speaker, Sir, is it in order for the Assistant Minister to indicate that the Controller and Auditor-General was wrong or flouted the proper system of accounting?

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I did not say that at all. I am sorry for my good friend, hon. Kariuki, for what he is alluding to in this House. I am merely making a suggestion that will help this House. I am saying that there are recommendations in the Report for which information was readily available. What worries me is why that information was not taken into account when making the recommendations. In fact, that is what I am saying here. I am also suggesting that if there is lack of capacity because of shortage of staff, the PAC should seek the advice, or services, from professional auditors in making their recommendations.

Mr. Wamalwa: On a point of order, Mr. Deputy Speaker, Sir. I do not really wish to interrupt the Assistant Minister because I will get a chance later to reply to his comments. But, obviously, the Assistant Minister does not know the technical rules that govern the operations of the PAC. The PAC has in attendance, on a permanent basis, the Controller and Auditor-General himself, the Government Accountant-General and accountants from the Central Bank of Kenya. We even had representatives from the Judiciary Department, where these computers were supposed to be installed. I think the Assistant Minister is risking playing devil's advocate for this firm.

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I am not here to speak for any firm at all. What I am saying is that I have a letter here in front of me. It is a pity if it was not given to the PAC. I have this letter from the Financial Secretary who informed me that, that information was given to the PAC. Be that as it may, I do not intend---

Mr. Deputy Speaker: You are now giving evidence which you could have done before. Proceed with your presentation.

Mr. Ngure: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister trying to tell us that the Controller and Auditor-General; the Government's Chief Accountant, and all the Members who have been mentioned in the Public Accounts Committee Report are not professional accountants? He may be alluding to that.

The Assistant Minister for Finance (Mr. Keah): Well, I am afraid to say that some of them are not professional accountants. What I am recommending is that PAC should get more technical power, if they need it in future, in order to make all their recommendations as conclusive as possible. That is the point I am making. I also agree with the Chairman of the PAC that these hearings should be public in future. They should even be televised, so that the culprits can face the music in public. So, I totally agree with that recommendation and I hope that, that will be implemented in the current sittings of the PAC. And for that matter, if they need any support I am sure we will give them.

Mr. Deputy Speaker, Sir, issues have been raised here by hon. Members about pending Bills in the PAC. I sympathise with the situation. The Government is very conscious about them. They are not necessarily as a result of fraud, but they could be as a result of a number of things, for example, the work being in excess of the amount contracted for, a donor may have undertaken to do a project and then half-way through that project the donor funds cease for whatever reasons and become unavailable for purposes of the project and so on. I know that efforts are being made within the Treasury to make sure that these pending Bills are dealt with, so that we make pending Bills a thing of the past. We are also, at this point, discussing within Treasury, to see the possibilities of accounting for those pending bills on an accrual basis rather than on cash basis which is currently the case and which, indeed, is what is practised in many countries. The Government's phenomenon of doing accounting on a cash basis is really messing up the Budgetary system, because if you have not accounted for the bills in the years in

which they are incurred and you carry them forward to the following year, you distort the cash flow of the following year. The services planned for the following year and the cash planned for during that year, is cash paid in respect to the services carried out in previous years.

This is an element of--

Mr. Kariuki: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister is mixing up a few issues here. The issue is pending Bills. Accounting procedure really does not come in. The Government is in debt and you are not paying. Services have been rendered and suppliers have not been paid. Certain people have incurred losses. Contractors have---

Mr. Deputy Speaker: Hon. Kariuki, you stand up on a point of order because you expect the Chair to make a ruling. What is the point of order that you want the Chair to rule on?

Mr. Kariuki: Is it in order for the Assistant Minister to try to misdirect this House by saying that it is the accounting procedure which is wrong, whereas it is the principle itself of incurring debts without paying which is wrong?

Mr. Deputy Speaker: If the Government is in debt, it is in debt. The sooner you acknowledge that, the better for everybody.

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I acknowledge his contention that when the Government is in debt, it is in debt. And it is the period in which you account for that debt that I am talking about. The period in which you are accounting for that debt is what comes into play in what I am talking about, in terms of accrual accounting and cash accounting. That is all I am saying but my friend, of course, I forgive him for---

The other point is with regard to the local authorities. These are notorious for not preparing accounts and not having those accounts audited on time. I totally agree with the recommendation here that local authorities must, indeed, be made accountable on a timely basis. Indeed, we have said that a portion of the future Government revenue will go to local authorities directly and I am looking forward to that time, because the local authorities which will not be up-to-date with their accounting will not get even a penny. I hope the PAC will be looking into the Budgetary aspects in that respect. We will take that very seriously. We must definitely account for the funds we utilise on a timely basis, prepare accounts and submit them.

Mr. Deputy Speaker, Sir, another point that was raised here was with regard to the Electoral Commission allowances. In fact, the Electoral Commission should be separated from the National Assembly. With effect from 1st of July, 1998, the Electoral Commission is a cost centre of its own and the National Assembly is a cost centre of its own. These are good observations.

Mr. Deputy Speaker, Sir, those are probably the main issues that have been raised by hon. Members. I think I have captured all of them. With regard to the specific recommendations that have been made by the Government, I want to particularly raise a few issues here. One, there are issues of *subjudice* rules. They are *sub judice* according to our rules and regulations. When a matter is in court, we should not debate it. The recommendation here is that, we should weigh our own rules before we discuss or debate matters that are *sub judice*. Fortunately, some of these cases are already in court and there is no way we can debate them. In that case, the recommendations so involved are really superfluous at this point in time. I want to mention that adopting all the recommendations is impracticable. They cannot be implemented simply because they are out of place. To that extent, the Government is saying that, there is very little that can be done in the sense that the issues are already *sub judice* under the *sub judice* rule. There are a number of these cases and I can give them to you.

Mr. Wamalwa: On a point of order, Mr. Deputy Speaker, Sir. If I can remember the recommendation, it simply said that these were matters of tremendous national interest, and Parliament might in its discretion waive the *sub judice* rule to allow debate to continue. But the Speaker, already made a rule on that, and it is on record. I would like to congratulate hon. Members because everybody observed the *sub judice* rule and nobody trespassed on that territory.

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I take that point. Nevertheless, the recommendation is in the Public Accounts Committee Report to Parliament. It states: "We recommend that Parliament considers waiving the *sub judice* rule." Now, if that is a recommendation which we are deliberating, we obviously have to comment on that recommendation. That is, whether we should accept it or not. Because, a recommendation is a recommendation. But, in so far as the Government is concerned, this is a matter the Speaker has made a ruling on, and the recommendation is still there. Nevertheless, that recommendation is superfluous from the Government's point of view and therefore, not able to implement it. Specific recommendations in the 1993/94 accounts relating to the *sub judice* rule are with regard to paragraphs 34

to 37, 83 to 84 and 349 to 356.

Mr. Deputy Speaker, Sir, the Government is not introducing any particular amendments to this Report. But in not introducing any particular amendments to the recommendations, I would like it to be observed that in terms of recommendations on paragraph 379 on pages 176 and 177, they are in my view, immoral and improper. But we will all the same leave that, because, for example, in paragraph 379 item 3, it is recommended that all items should be procured through open tender and that Computer Applications Limited and other companies under the directorship of Mr. Da Gama Ross be excluded from future Government tenders. There are many people by the name Da Gama Ross; which one are we talking about? So, this is not a fair recommendation. We are talking of an investment of over Kshs4 billion, and we want to be prosecutor, judge and executioner. This is not our job as Parliamentarians.

Mr. Deputy Speaker: Hon. Keah, you have expressed your opinion about what has been contributed or what is in the Report. But, I think, really, if this is covered by the *sub judice* rule, then you are self contradicting. If it is not, then you want to debate it or make a recommendation to expunge it.

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I am not making any recommendation to expunge it. I am also entitled to air my views like everybody else. So, these are my views. We are not making any recommendations to expunge anything out of these PAC recommendations, because this is our committee and we would like to respect it. All I can say is---

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

Mr. Deputy Speaker: Mr. Achola, let him make his point first.

Mr. Achola: But he is becoming irrelevant!

Mr. Deputy Speaker: Order, hon. Achola! Proceed, Mr. Keah!

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, as Parliament, we should take cognisance of efforts made by individuals who have invested in this country and bear in mind that there are 3,000 to 4,000 jobs involved. We should look for ways and means of protecting those jobs. We should therefore, certainly take the individual to court if the person is fraudulent. But it is not fair to punish an individual here before he is convicted by a court of law. What we should do is to recommend as we have done in other cases that the Attorney-General prosecutes. We should not be the law makers as well as interpret the law and pass sentences. I think we are delving on dangerous grounds, and I am objecting to this manner of doing things.

Mr. Achola: On a point of order, Mr. Deputy Speaker, Sir. I would like hon. Keah to declare his interest in defending CAL when he knows that CAL has ripped this country off millions of shillings. It is a shame for him to come and attempt to defend that company.

Mr. Deputy Speaker: Order! What is your point of order?

Mr. Achola: What is his interest in CAL?

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I have no interest in CAL, and he knows it very well. They have even found out who the directors are, some of who were alleged to be people in the Treasury. But I have no interest whatsoever in CAL. Whether it is CAL or any other company, it is totally immoral from my point of view, that we should seek to banish companies that have invested here. We should go out and rectify those corrupt people by locking them up in jail. After all, the governance structure of this country is that, there is the Executive, Legislature and the Judiciary. We cannot play the role of the Judiciary. This, in my view, is wrong. Those are my personal views.

Mr. Achola: Expunge them!

The Assistant Minister for Finance (Mr. Keah): No, I am not going to do so, and you are not going to intimidate me.

Mr. Deputy Speaker, Sir, there is no amount of intimidation that is going to deter me from making my views. I am entitled to my views in this House and I am making them fearlessly and frankly.

Mr. Wamalwa: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister keeps repeating that he is making his personal views. Is he speaking on behalf of the Government or on his own behalf?

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, unfortunately, I am a Member of Parliament and I am entitled to my views. I have already given the Government's views. These were the points that were compiled, but I am also entitled to giving my specific views on certain issues that I am objecting to.

Mr. Nyanja: On a point of order, Mr. Deputy Speaker, Sir. Having been a Member of the PAC, we went through a lot of pain. It is good that the Government, including the President, is now determined to get rid of corrupt practices. It is unfortunate when a Minister in the Office of the---

Mr. Deputy Speaker: Order! You are making a speech!

Mr. Nyanja: Mr. Deputy Speaker, Sir, I must prepare the ground for my point of order!

Mr. Deputy Speaker: Order! You are not raising your point of order! If you do not have it---

Mr. Nyanja: I have it! Is it in order for the Assistant Minister for Finance to come here and confuse Kenyans, when the PAC has done a wonderful job to expose a corrupt thief who has ripped Kenya off billions of shillings, and now has won a tender to supply computers to the Customs Department? We have made recommendations as a Committee of this House---

Mr. Deputy Speaker: Order, hon. Nyanja! You have reverted back to making a speech again, on the pretext that you are on a point of order, and I will not allow it! Hon. Keah, it might do you some good if you continue to respond on behalf of the Government.

The Assistant Minister for Finance (Mr. Keah): Mr. Deputy Speaker, Sir, I would like to take your advice because I am a Government Minister, and whatever points that I allege to be my own, are made in my capacity as a Government Minister. I will not, at any one time, run away from my Government responsibilities. In doing so, I have a right to defend any Kenyan as we vowed to do. It is in this respect that I did what I did.

Mr. Deputy Speaker, Sir, having given the views of the Government on the PAC, I sincerely hope that we shall be up-to-date. We shall make every effort to be up-to-date. I am afraid that by the end of this year, we shall be talking about the same things. This is because the 1994/95, 1995/96 and 1996/97 accounts have not been tabled and debated. I am afraid that all these points will appear again. I want to say that in 1998, the Government has taken substantive steps to rectify the situation. But because we are debating the 1993/94 accounts, it appears that the Government is at fault today for errors that were committed in 1993/94. It is in this regard that I urge that the process of debating the PAC Report be expedited. If the accounts are not available by virtue of the fact that the Accounting Officers have not prepared the accounts, the Controller and Auditor-General should come within the stipulated time and say that he has no accounts to audit, because they have not been presented to him. At that point in time, we will know what to do as Parliament. This is because some governance aspects will not have been adhered to.

With those few remarks, I beg to move.

Mr. Deputy Speaker: Since no other hon. Member is willing to contribute, I would like to call upon the Mover to reply.

Mr. Wamalwa: I do thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to reply to this Motion. I will be very brief because hon. Members who got a chance to contribute to this Motion, have highlighted areas of concern, made their views very clearly, and stressed what was not important. So, I do not intend to reply on everything that the hon. Members said.

I would like to start by saying that there is a mis-conception about what the PAC can do or not. An hon. Member said that the PAC is a "toothless bulldog". It is a rather harkened phrase now. But I think he meant that the PAC cannot enforce its own decisions, prosecute offenders, sack inefficient accounting officers and so forth. Indeed, the PAC does not have such powers.

Mr. Deputy Speaker, Sir, the PAC is a Committee of this House. It is charged with the responsibility of studying the Report of the Controller and Auditor-General, interview the Accounting Officers and other relevant witnesses, and then recommend to this House, what course of action the Government ought to take. That is the role of the PAC. The PAC does not have its own powers of investigation. For a long time, we have said that the PAC ought to be given powers to investigate something, if it is not satisfied with whatever evidence is adduced before it. Our Standing Orders do not give the PAC that power. The PAC cannot take anybody to court. Indeed, the PAC has had occasions to quarrel with the Attorney-General, that it recommended the prosecution of certain offenders and the system failed to prosecute them, even up to now.

As far as the hearings of the PAC are concerned, it has been the wish of the PAC for the last four or so successive years, for the hearings to be open to the public, like they are in England today. Members of the public can walk in and watch people being cross-examined, and accounting officers actually giving account of how they spent the taxpayers' money. I think a fundamental point that should always be borne in mind is that the Government does not have money that it can call its own. It is only the Government that has the taxpayers' money. The Government owes the taxpayer a fiduciary duty (a duty of care) to spend the money carefully, and for purposes voted by Parliament. This point is sometimes missed when the people in the Government think that they are in charge of certain Votes and they can do what they like with the money.

I have had occasion to say before this House that, the most important date in the Parliamentary calendar is the Budget. That is when the Government seeks to tax the citizens. Observing the old principle of no taxation without representation, the Government makes taxation proposals to be approved by the people's representatives before it can appropriate those taxes. To me, the next most important day is the one allocated for the adoption of

the PAC Report. It is rendering account of how the Government spent money that was authorised by Parliament during Budget. So, this is a very important debate, and I would like to congratulate hon. Members for the important points that they have made in their contributions.

Mr. Deputy Speaker, Sir, the lateness in the submission or preparation of the Reports of the Controller and Auditor-General is entirely a Government fault. It cannot be blamed upon the Committee. I agree with the Government Responder that debating Reports of 1993/94 and 1994/95 in 1988 can turn out to be an exercise in futility. This is because the culprits may already have left Government service or died. So, recommendations are made which might not bind anybody. Yet, the burden of preparing these reports on time is squarely on the Government. The Ministry of Finance ought to play its supervisory role in the management of Government funds, throughout the entire Government. They ought to make sure that Accounting Officers submit their accounts on time.

Mr. Deputy Speaker, Sir, the Controller and Auditor-General has complained many times that, sometimes he had requested for information which the Permanent Secretaries or Accounting Officers never submitted to him, and sometimes he would bring that information when we were writing the recommendations. Such information is of no use to anybody at that stage. So, the Government has realised that the country is in a fairly serious economic situation because certain economic flaws have been committed. There were also omissions and so forth. I think the Government ought to start first, by ensuring that Accounting Officers do actually account for every cent that their votes contain because it is not their money; it is the people's money.

Secondly, the Government should ensure that Government officers collect all revenue due to the Government. In our examination of the accounts of the Kenya Ports Authority and Customs Department, there are so many instances where people just do not collect Government revenue. They get a small kick-back and completely overlook a huge amount that they would have collected for the Government. If this Government is going to redress or reverse the economic trend in the country today, it must start by first collecting all revenue due to it, and then looking after that revenue in a professional manner and in a fiduciary manner.

I would like to mention one example where one could say that the Government actually colluded with civilians in appropriating Government property and has left the civilians in a lot of trouble. This is the Kasarani Sports Complex land. I am afraid that no hon. Member really dealt with this subject squarely. The Kasarani Sports Complex land was given to the Moi International Sports Centre (MISC). The Nairobi Provincial Commissioner's office, with all the DOs under him, went ahead and gave small portions of this land to various people who were charged a lot of money: Kshs30,000 per plot. Those people went on to develop those plots; some put up mansions and today, the Committee was at great pains to recommend that all this land must be returned to the Moi International Sports Centre, regardless of the development there. But who is really to blame? It was the PC at that time, a Mr. Lekoolool and a DO, who was a woman; I do not have her name here, and she is known to have built so many double-storey buildings all over the place. One wonders whether her property cannot be sold to reimburse those people, if the land has to go back to the Moi International Sports Centre. I think this is a major problem that the Government must address. Those people bought those plots in good faith and went ahead to develop them; then later on, those who sold the plots to them disclaimed any responsibility, and the Government will acquire that property, demolish all those houses, and yet, they benefited. I think, perhaps, a special inquiry ought to be made to probe the activities of the then PC, Nairobi, and his officials with regard to the Moi International Sports Centre land.

Another problem which is also extremely vexatious, Mr. Deputy Speaker, Sir, is the practice of the Government giving Government plots with houses on them to individuals, and then the same Government goes on to pay huge rents to house its officers and yet, it has given away plots with Government houses on them. This is one practice that must stop, if this Government is going to be serious about economic recovery and proper management of Government assets.

Mr. Deputy Speaker, Sir, all said and done, one detects in the Government today a feeling of realisation that a lot of wrong things have been done; recognising the problem that there are people in position who probably should not be there because they are not public spirited and they are not there to serve people, but they are there to line their pockets. I would like to congratulate the new Government spirit of openly admitting that mistakes have been made and seeking ideas and suggestions as to how to resolve these problems. Once this is realised, I think it is the beginning of the solution to these problems, I think it is the beginning of our economic recovery.

With those few remarks, I beg to move.

(Applause)

(Question put and agreed to)

ADJOURNMENT

Mr. Deputy Speaker: Order! Hon. Members, it is now time for the interruption of Business. The House is, therefore, adjourned until tomorrow, Wednesday, 10th June, 1998, at 9.00 a.m.

The House rose at 6.15 p.m.