

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 10th June, 1998

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.234

POLICE INABILITY TO CURB STOCK THEFT IN NYAKACH

Mr. Speaker: Is hon. Odoyo not here? We will leave his Question until the end. Next Question!

Question No.170

REHABILITATION OF ROADS IN SAMBURU EAST

Mr. Leshore asked the Minister of State, Office of the President:-

- (a) in view of the destruction of the infrastructure by the *El Nino* rains during the months of October, 1997 to February, 1988, what immediate plans the Minister has to restore those services in Wamba and Waso divisions of Samburu District; and,
- (b) how much money the Minister has allocated to rehabilitate the roads, restock and improve health facilities under the Drought Recovery Programme.

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

(a) The Government recognises the fact that as a result of the *El Nino* rains during the months of October, 1997 to February, 1998, there was destruction of the infrastructure countrywide. Consequently, resources are being identified to rehabilitate the infrastructure throughout the county.

In Samburu, the Government is considering repairing the culverts, drifts, gravelling Roads C78 and C79, and also rehabilitating water supply at Mailimiliomo Dam.

(b) The rehabilitation of Road C78 and C79 will be at a cost of Kshs28 million, and that of water supply and the dam will cost Kshs13 million. The rehabilitation will be carried out during the 1998/99 Financial Year, under the *El Nino* Emergency Project. The Government is still soliciting for funds which can be utilised to restock livestock and improve health facilities in the areas which were hard hit by the *El Nino* disaster, including Samburu District.

Mr. Leshore: Mr. Speaker, Sir, I would like to thank the Minister for convincing me that the Government will allocate such a huge amount of money to my area. Is the Minister aware that two dispensaries, one in Ndonyo Wasin and one in Ngare Narok could not be reached because the roads were made impassable by the rains? The people in those areas are suffering and they have to travel for 100 kilometres to take their patients to Wamba Hospital. What is he going to do to enable those dispensaries to offer services to the people?

Mr. Ndambuki: Mr. Speaker, Sir, we have requested the Provincial Administration in all the districts that have been affected by the *El Nino* to submit in bridges and roads that have been destroyed by the rains to the Office of the President for evaluation. What we are doing now is evaluating what to give priority between water and roads. The hon. Member should get in touch with his administrators in the district to find out whether this has been done. If this has been done, funds will be allocated to repair all the roads.

Mr. Shidie: Mr. Speaker, Sir, it is very sad to blame the *El Nino*. In fact, the *El Nino* buried what we had destroyed. We waited for too long for the infrastructure to collapse and then the rains came. Be that as it may, is the Minister satisfied that the amount of money he has talked about is enough to repair the damaged infrastructure?

Mr. Ndambuki: Mr. Speaker, Sir, we have not received all the estimates. The Ministry of Public Works and Housing will supplement what the *El Nino* Emergency Fund will do.

Mr. Kaptan: Mr. Speaker, Sir, the *El Nino* destroyed the road infrastructure in the whole country. For example, the Nairobi-Nakuru-Eldoret Road is in bad shape. How much money does the Government have to repair the roads countrywide?

Mr. Ndambuki: Mr. Speaker, Sir, at the moment, I cannot quote the figure. We are looking for funds from the World Bank. There is a loan that we are seeking from the World Bank and if it is approved, we can know the figure. The little funds that we have will be supplemented by the Ministry of Public Works and Housing.

Dr. Leakey: Mr. Speaker, Sir, it seems that the Minister would perhaps be willing to agree with me that honest answers are more likely to attract the donor funds necessary to resolve the problems of the *El Nino* on the infrastructure. Could the Minister not be prepared to say that the other side of the House is broke and make honest statements, so that we can work together to put the country on the right track?

Mr. Ndambuki: Mr. Speaker, Sir, the question of whether the Government is broke or not is unrelated to the original Question. I think I have answered the Question.

Mr. Speaker: Next Question, Mr. Mohammed Mahamud.

Mr. Mahamud: Mr. Speaker, Sir, I would like Question No.231 answered.

Mr. Speaker: No, we do not do it that way. Mr. Mahamud, you rise to ask your Question.

Mr. Mahamud: Mr. Speaker, Sir, I would like to have Question No.231 answered.

Mr. Speaker: Order! Order! On second attempt you almost made it. If I may advise, you stand up to beg to ask your Question. The formula is: Mr. Speaker, Sir, I beg to ask Question No. 231. Proceed.

Question No.231

UNDERSTAFFING OF SECONDARY SCHOOLS IN WAJIR EAST

Mr. Mahamud asked the Minister for Education and Human Resource Development:-

(a) whether he is aware that three secondary schools in Wajir East namely: Wajir, Sabunley and Wajir Girls Secondary schools are seriously understaffed;

(b) whether he is further aware that teachers were transferred from these schools without replacements and that, there were no releasing letters from their respective school head-teachers; and,

(c) if the answers to "a" and "b" above are in the affirmative what he is doing to staff those schools adequately, as per their subject requirements.

The Assistant Minister for Education and Human Resource Development (Mr. Awori): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware.

(b) I am not aware. What I am aware of is that, teachers with the relevant subject combinations have since been identified to replace those transferred.

(c) My Ministry has done its best to staff the three secondary schools adequately. However, in the case of those curricula subjects for which my Ministry is not in a position to identify teachers, advice will accordingly be given to the affected schools on the appropriate curricula that they should offer.

Mr. Mahamud: Mr. Speaker, Sir, the Assistant Minister is misleading this House by saying that he has tried his best to adequately staff the schools. The three secondary schools have a shortage of 21 teachers, particularly in science subjects, Mathematics and languages. The Assistant Minister is not giving us a satisfactory answer.

Mr. Awori: Mr. Speaker, Sir, I have given a satisfactory answer. I would help the hon. Member by letting him know the teachers who were transferred and those who replaced them. At Wajir Boys Secondary School, there were two teachers: Messrs. Mwangangi and Kariuki who were replaced by Messrs. Onyango and Mwangi; at Wajir Girls, Messrs. Kariuki, Gitonga and Maina were transferred and replaced by Messrs. Muhoro, Isigi and Nyangweso, while in Sabunley, Messrs. Kahugi, Minjire, Mwangi, Kagagi and King'ori were transferred and replaced by Messrs. Omboga, Kung'u, Otieno, Mbirithia and Kibebe.

Mr. Shaaban: Mr. Speaker, Sir, is the Assistant Minister aware that the exodus of teachers from North

Eastern Province, including Wajir, is as a result of the collapse of the infrastructure in the entire Province? Is he further aware that teachers from outside North Eastern Province never report to their stations after their leave, because roads are impassable? In some areas now, roads have been impassable for the last 10 months. Because of the poor state of roads, most of the teachers opt for transfers and those who fail to get them resign from their jobs. That is one of the major reasons for the exodus of civil servants, especially teachers from the province. What action is the Ministry going to take to ensure that those teachers from outside the province are retained in those districts, so that they continue teaching in those schools?

Mr. Awori: Mr. Speaker, Sir, the hon. Member has already answered the question. The reason why those teachers from outside the province leave almost as soon as they have been there is because of the poor infrastructure and there is nothing we can do about it.

(Laughter)

Mr. Kathangu: Asante sana, Bw. Spika. Jambo ambalo linajadiliwa hapa ni jambo la aibu sana kwa sababu kanda kavu katika nchi hii zimechukuliwa kama maeneo ya kuwaadhibu walimu watovu. Walimu ambao wanapelekwa katika kanda hizi ni wale ambao huonekana kama hawana nidhamu katika shule mbalimbali. Walimu wenye nidhamu katika kanda hizo huchukuliwa kufundisha katika shule za mijini, kama vile Alliance na Kenya High. Ningemuomba Waziri Msaidizi aeleze Bunge hili ni hatua gani ambayo Wizara inachukua kuwahamasisha walimu ili watumikie taifa hili katika kila sehemu?

Mr. Awori: Mr. Speaker, Sir, we have made absolutely sure that teachers accept every area as part of Kenya and when they are posted to North Eastern Province, it is not a disciplinary matter.

Dr. Omamo: Mr. Speaker, Sir, would the Assistant Minister agree to take action based on past practice where civil servants who were posted to areas similar to Wajir were paid hardship allowance, and hardship allowance was meant to be an inducement for good teachers, DCs and DOs to work in those areas? Would the Ministry consider paying hardship allowance, so as to attract good teachers to teach in those hardship areas, otherwise, those areas are going to be left behind?

Mr. Awori: Mr. Speaker, Sir, an education commission was recently constituted and I would like to suggest to hon. Dr. Omamo to make his presentation to that commission with that particular recommendation.

Mr. Haji: Thank you very much, Mr. Speaker, Sir. Could the Assistant Minister, in view of the suggestion made by hon. Dr. Omamo, consider giving a special allowance to teachers who are supposed to work in North Eastern Province, because of the many problems they encounter there? Those teachers cannot take their wives with them and if they are not married, it is very difficult to get girls to marry in the area. Could the Assistant Minister consider introducing special allowance for unmarried teachers in North Eastern Province?

(Laughter)

Mr. Awori: Mr. Speaker, Sir, I will answer the question in the same way I answered hon. Dr. Omamo. We have an opportunity now to get this done, but let the suggestion be made to the education Commission.

Mr. Speaker: Next Question, Mr. Paul Kihara.

Question No.206

EXTENSION OF POWER LINE TO ELMENTAITA

Mr. Kihara asked the Minister for Energy:-

- (a) whether he is aware that a power line was recently constructed from Lanet in Nakuru to Ol-Jorai in Elmentaita to supply power to one person without anyone else, even the police post at Elmentaita benefitting; and,
- (b) if the answer to "a" above is in the affirmative what action he is taking to rectify the situation.

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

(a) Yes, I am aware that a power line to supply electricity to the area along Lanet-Elmentaita-Kongasis Road is under construction.

(b) Design work for stepped down power to the beneficiaries is now complete and construction work will

commence in July, 1998, to provide for;

- (i) installation of three transformers, 100KVA each,
- (ii) construction of three kilometres medium to low voltage lines, and,
- (iii) installation of 50 service lines for various consumers including the dispensaries, boreholes, police stations, individuals and shops at Elmentaita and ultimately at Kongasis.

Mr. Speaker, Sir, the project will, therefore, benefit a large area and not an individual.

Mr. Kihara: Mr. Speaker, Sir, I beg to differ with the hon. Minister when he says that the line is under construction because the line is already constructed and the individual is already consuming power. I understand he is---

Mr. Okemo: Mr. Speaker, Sir, construction work is still going on but because of shortage of funds, it had to stop at some point. The particular individual is not known to me but I know that the power line has stopped at a place called Kongoi Farm. If the hon. Member wants to know who owns the farm, he could check with the Registrar of Companies or with the Ministry of Lands and Settlement.

Mr. Kiunjuri: Mr. Speaker, Sir, is the Minister in order to mislead the House by saying that power has not been supplied when hon. Kihara, who is the Member for that constituency, says that power has already been supplied?

Mr. Okemo: Mr. Speaker, Sir, after the high tension line is constructed, before power is given to an individual or a consumer, it is stepped down. The particular consumer that the hon. Member is referring to is categorised as a commercial consumer and he had to pay a fee of Kshs1 million, as the cost of stepping down that power. For the other consumers along the line, they would be categorised under the Rural Electrification Programme and they have been given quotations for their 10 per cent contribution which they have not made to date.

Mr. Kihara: Mr. Speaker, Sir, I think the hon. Minister is misleading the House. This project has been carried out under the Rural Electrification Programme and it is not a normal practice to provide power to an individual under the scheme. The individual happens to be Mr. Gideon Moi, and if what the Minister is telling us is happening, it must be an after-thought because the line is completed and the construction crew has been withdrawn from the site. I was there as recently as two days ago and I saw that the gentleman is already consuming power.

Now, for the hon. Minister to tell the House that something is being done to supply power to the area, is not convincing. The power line passes over the police station and yet, the station does not have electricity. The power line runs from Elmentaita Township to Gideon Moi's house and he does not even live there, except his horses.

Mr. Okemo: Mr. Speaker, Sir, I do not think the hon. Member understood my answer. I said that a power line will run from Lanet through Elmentaita to Kongasis but because of shortage of funds, the line has only reached as far as Kongoi Farm, which is four kilometres from Kongasis. The project is in progress. There may not be a construction crew on site, but the project is very much under progress and it is going to continue soon.

Mr. Ndicho: Mr. Speaker, Sir, we want you to help, guide and protect us. The hon. Member for that area knows as much as I do that the gentleman, Gideon Moi, who has got 800 acres of ADC Farm in that area is today consuming power. If you go there at night or fly over the area, you will see the lights on, but the Minister is saying otherwise. He is saying that the hon. Member is not telling the truth. Between the hon. Member for that area and the Minister for Energy, who is now telling us the truth? I know that there is power there, I have seen it. I have some interests there.

Mr. Speaker: Order, Mr. Ndicho! I will help you straightaway and the help I will give you is this: The hon. Member, Mr. Kihara, says that power has gotten to "x" place. The Minister for Energy has not denied that. In fact, he said that it is there, but others are also to get it in due course once funds are available. So, are you helped?

(Loud consultations)

Mr. Anyona: Mr. Speaker, Sir, I do not know whether I heard the Minister correctly, but if I did, then I would like to say that he is misleading the House. The Rural Electrification Programme is the most important programme of the Ministry of Energy. And as far as I know, it is funded by the Government.

The consumers are not supposed to make a 10 per cent contribution. They pay for the services offered. Would the Minister, in the interest of this House and the country, clarify this point?

Mr. Okemo: Hon. Anyona, it is very true that the Rural Electrification Programme is one of the most important programmes undertaken by the Ministry of Energy, but it is not true that there is no contribution made

by people who are covered under this programme. In fact, they pay 10 per cent of the estimated cost of stepping down the power. That is what is happening today and if you wish you can come and we will show you several of such projects including those in your own constituency. This is a contribution made towards the cost of stepping down power. In fact, it is the cost of the transformer.

Mr. Wamae: On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Minister to say that consumers are required to make a 10 per cent contribution under the Rural Electrification Programme when the Ministry insists that consumers will not be required to give out any money? Are funds only required when Gideon Moi applies for electricity?

Mr. Okemo: Hon. Wamae, that is not the only project we carried out in 1996. Right now, as we talk, we have several other projects going on in the country, probably some in your own constituency.

Mr. Munyasia: Mr. Speaker, Sir, usually, we address the Chair. Did you notice that hon. Okemo has been addressing hon. Wamae directly instead of addressing the Speaker?

Mr. Speaker: Order! Order! Indeed, Mr. Munyasia, you are right. The hon. Minister was wrong in addressing the Member directly. All addresses by all Members shall be made to Mr. Speaker. I hope that you will note this.

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

Mr. Speaker: Order, Mr. Nyanja. Let us move to the next Question by Mr. Paul Otita.

Question No.204

ISSUANCE OF TITLE DEEDS IN NYANDO

Mr. Otita asked the Minister for Lands and Settlement:-

(a) why has it taken very long for the Ministry to issue land owners in Nyando, whose land was demarcated way back in 1968 and 1980, with title deeds; and,

(b) what action will he take against persons who have encroached on rural access roads within the villages in Nyando Constituency.

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

(a) The delay in issuance of title deeds to land owners in Nyando has been caused by the large number of land disputes and inadequate budgetary provisions, which has resulted in lack of transport and equipment to facilitate the disposal of the disputes. However, the Ministry is addressing these problems through the normal budgetary process.

(b) I am not aware of any encroachment of rural access roads within the villages in Nyando Constituency. However, the hon. Member can report the matter to the local District Development Committee for appropriate action.

Mr. Otita: Mr. Speaker, Sir, the answer to the question is not very satisfactory. It is over 18 years since the last demarcation was made in Nyando Constituency. What I know is that there is only a small portion in the constituency which has got a few disputes, caused by the overflowing of River Nyando towards Lake Victoria. But this cannot bar the whole constituency from getting title deeds of the areas completed without disputes. Could the Minister give us an exact answer why this issuance of title deeds has delayed so much, despite the vital documents which should be used by the local people?

Mr. Ngala: Mr. Speaker, Sir, I would like to give some information to the hon. Member and the House. There are several sections so far whose particulars have been forwarded to different offices for necessary action. I will read the areas to amplify on the reply. The following sections are with the Director of Survey for fair drawing and computation of areas. The sections are: Kabar; Upper Bwanda and Nyamwera. These were the ones declared. Kabar was declared on the 18th February, 1982. Upper Bwanda was declared on 26th March, 1983. Nyamwera was declared in February, 1983. The following sections are with the District Land Adjudication and Settlement Officer, solving field queries before they are forwarded to the Director of Survey. These are: Kamanga; K'Ochieng and Kadho. The adjudication sections under objection are Wawidhi A1; K'Ochieng' A. The following sections are under demarcation and surveying: K'Ochogo A; K'Adhiambo; Lower Bwanda; Kawino; Kakola; Nyamwera A; Katolo; Wawidhi B and Kotolo. That is what is happening on the ground.

Mr. Anyona: On a point of order, Mr. Speaker, Sir. The Minister, in the first place, more or less indicated that he was not aware of the problem. Now, he comes with a long list of factual information. Does this not take the time of the House? Is the Minister, therefore, in order to hide information, until we seek it from him which takes a lot of time of this House?

Mr. Ngala: Mr. Speaker, Sir, I think the question revolved around why there was a delay for all those years and I said the delay was because the funds are not flowing in sufficiently, for us to speed up but these areas have been done in the way that they have been done. But the funds are not sufficient. So, the question was why it has taken so long. It is not because of why we have not done anything.

Mr. Otieno-Kajwang': Mr. Speaker, Sir, I just wanted to remind the Minister that in Nyando Constituency, there is Ahero Pilot Scheme which has been there since 1963. For how long will it be pilot and is the Minister aware that the residents of that area are squatters in their own land because of this pilot scheme? Can he give them their title deeds, so that they start using their land for financial gain?

Mr. Ngala: Mr. Speaker, Sir, I would imagine that is a different question. If the hon. Member can put it to the Ministry, we will look for the details and give the answer.

Mr. Kaindi: Mr. Speaker, Sir, the hon. Minister knows all too well that, the issuance of title deeds, grants and other related documents pertaining to ownership of land is very crucial and critical to the citizens of this land. When I was a young man, I saw men and women carrying chains and theodolites, demarcating an area in Kathiani. To date, having worked in the same Ministry for over probably ten years, we do not have title deeds in many sections of Kathiani and elsewhere in this country. Can the Minister assure this House that he is going to come up with a policy or programme of adjudication that is going to ensure that the citizens of this country are given their title deeds in good time, so that they can act as collateral security?

Mr. Ngala: Mr. Speaker, Sir, I do agree with the hon. Member that, title deeds are very important to this country and to Kenyans, and my Ministry is not treating that matter in a less important manner. The programme of how to adjudicate and how to give titles is there. The only problem which we are faced with most of the time is where we have disputes where people cannot agree on boundaries and other issues. These do take a long time and we would urge wananchi that when an area is declared an adjudicated area, there should be reasonably good understanding among them, so that the officers can continue to do their job in the best way possible. The programmes, methods and the equipments are there but the only problem that we face is: These many disputes, which sometimes stall the work and take a long time.

Question No. 193

MURRAMING OF ROADS IN URIRI

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

(a) when will the Ministry murrām Uriri-Rapogi-Oria-Oyani-Masai and Ogwedhi-Stella-Osogo-Sibuoche-Gogo roads; and,

(b) what amount of cess from sugar-cane and tobacco has been used on these roads.

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

(a) The Ministry has no immediate plans to murrām Uriri-Rapogi-Oria-Oyani-Masai and Ogwedhi-Stella-Osogo-Sibuoche-Gogo roads. However, those roads will be adequately maintained and spot-patched during the 1998/1999 Financial Year, to ensure that they remain motorable.

(b) No funds from the sugar-cane or tobacco cess has been used on the roads in question.

Mr. Omamba: For the last six years, those roads have not been maintained and I do not understand why the Government does not have the intention to repair them. They have been lying there like dry rivers for the last six years. These roads are used by sugar-cane and tobacco farmers and their businesses have been running at a loss for the last six years.

Mr. Khaniri: Mr. Speaker, Sir, the information that is being given by the Member is not correct, especially when he says that we have not maintained these roads for the last six years. During the 1996/97 Financial Year, a four kilometre section of Ogwedhi-Stella-Osogo-Sibuoche Gogo Road, Road E 101, was gravelled. Another 8-kilometre section of the same road was re-shaped. This work cost the Ministry Kshs2.8 million.

Mr. Ayako: Mr. Speaker, Sir, I happen to come from the neighbourhood of Uriri Constituency which is a very fertile area. They grow sugar-cane and tobacco there. What is inhibiting production in that area is transport. Now, would the Minister tell this august House how much money has been put aside for the maintenance and repair of that road?

Mr. Khaniri: Mr. Speaker, Sir, I may not have those figures at hand, but in the next Financial Year, that is after the Budget, that is when we make budgets for our roads.

Mr. Raila: Mr. Speaker, Sir, three weeks ago, I attended a victory party for the Member of Uriri

Constituency at a place called Rapogi. The only issue that everybody who spoke there kept on repeating was the question of the state of roads in that area. I have been through a number of those roads--- Actually there are no roads in that area. If the Minister is saying that they spent Kshs2.8 million last year alone, would he agree with me that the money was actually misappropriated by his officers and was not used to maintain that road?

Mr. Khaniri: Mr. Speaker, Sir, I do not agree with the Member. He says that there are no roads in the constituency. How did he travel if there are no roads?

Mr. Raila: Mr. Speaker, Sir, because there were no roads, we walked.

(Laughter)

(Mr. Achola stood up in his place)

Mr. Speaker: Mr. Achola I am running out of time!

Mr. Achola: If you can just give me one minute.

Mr. Speaker: What is it?

Mr. Achola: Mr. Speaker, Sir, I would like to ask the Assistant Minister one question. Last Friday, we attended a DDC meeting in Migori and his officers told us that, that particular section of the road was repaired using cess money to the tune of Kshs6 million. How come the Assistant Minister is saying that the road was not repaired using cess funds. Could he, therefore, explain to this House how it is that, the Ministry spent some money last year and also some cess money was spent on the same road?

Mr. Khaniri: Mr. Speaker, Sir, the roads to benefit from the cess funds are decided by the cess committee with due consideration of the district's priorities.

Question No.205

MAINTENANCE OF THIKA-NAIROBI HIGHWAY

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

- (a) whether he could confirm or deny that the maintenance and repair on the Thika-Nairobi Highway has been and/or is being undertaken by Krishan Behal Contractors Ltd;
- (b) if the answer to "a" above is in the negative, whether he could specify the name of the contractor; and,
- (c) how much the contractor has been paid for the work to date.

(Mr. Kones sat still)

Mr. Ndicho: On a point of order, Mr. Speaker, Sir! Is it in order for me to ask a question here and the Minister continues sitting down there, not responding and looking outside?

(Laughter)

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

(a) The repair and re-carpeting of the Nairobi-Thika Highway was done by Mr. Krishan Behal & Sons Construction Company.

(b) The issue of specifying the contractor, therefore, does not arise. The contractor has been paid a total of Kshs509,900,280.

Mr. Ndicho: Mr. Speaker, Sir, you will agree with me that this is a very important road. Krishan Behal & Sons Contractors started repairing this road in March 1995 and completed it in March 1997. Will the Minister agree with me that during the agreement period and this is what happens in the Ministry--- There is what is called defect liability period, which is six years, during which a road must remain without any defects. If there are any defects, the contractor will go back and do the repairs without being paid anything by the Ministry. This road has stayed for only three years.

Mr. Speaker, Sir, you use that road yourself and you have seen that from Muthaiga up to Thika, it is full of pot-holes which are causing accidents every day. Spending half a billion of our money and this road is no more,

just after three years! Could the Minister explain to the House what disciplinary measures he is going to take against this contractor?

Mr. Kones: Mr. Speaker, Sir, it is true that the condition of the road is poor as the Member is saying. But there is really very little I can do, because the maintenance period is not six years as he is claiming. It is only one year. It is only now that we are thinking of increasing the maintenance period, so that it covers a longer period. But part of the reasons why the road has deteriorated so much is also because of the heavy rains we have experienced. The sections that have suffered a lot are those sections where the drainage has been poorly addressed. As at now, we have had to engage another contractor to look at those sections. The rest of the sections of the road which are not seriously affected by poor drainage are still holding. While I appreciate that there should be an increase on maintenance period, this contractor cannot be held responsible now because the contractual agreement we had with him was that, he had to maintain the road only for one year and not six years.

Mr. Sambu: Mr. Speaker, Sir, is the Minister aware that besides the poor work done by the contractors, the other major problem is the excess actual loads which he allows lorries to load, so that even if the roads are repaired, because of the excess actual loads--- Will the Minister commit himself before this House that, outside every major town, he will build working weigh bridges and make sure that those who man them are not subjected to bribery, so that our roads are not damaged? The Minister should know that this same contractor constructed the road from Kericho turn-off to Timboroa, and it is now gone? There is no road there now because of these Indians.

Mr. Kones: Mr. Speaker, Sir, we have been trying to be very strict on the axle load control. It is quite expensive to have way bridges in every town. However, it is a good suggestion that we should have mobile way bridges. We are trying to put them in place now.

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

Mr. Speaker: Order, Mr. Ojode! Could we hear what he has to say first?

Mr. Kones: Mr. Speaker, Sir, it is true that many of our roads have been damaged by overloading. However, measures have been put in place to check overloading. There are certain sections along Kericho-Timboroa-Eldoret Road which have been damaged by overloading. I do not think it is the problem of the contractor *per se*. It is more of overloading on our roads that has actually damaged that road as opposed to the workmanship of the contractor.

Mr. P.K. Mwangi: Mr. Speaker, Sir, it is the same contractor who did Makutano-Murang'a Road, which is presently quite impassable. This House would like to know where this contractor gets protection from because he has continued to misuse our money.

Mr. Kones: Mr. Speaker, Sir, I do not know where he got protection from. I am not aware of any protection.

Mr. Wamae: On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Minister to say that the contractor has no protection when he has spent over Kshs18 million per kilometre in servicing Thika Road?

Mr. Kones: Mr. Speaker, Sir, that does not really demonstrate how much protection he has. I think Kshs18 million was a figure that was worked out by the engineers and consultants. I do not see how protection comes in in this case.

Mr. Ndicho: Mr. Speaker, Sir, the Minister knows also that there is something called "retention money", which should have been 10 per cent of the Kshs500 million. This 10 per cent was not supposed to be paid. The money was supposed to be paid to the contractor after defects rectification period was over. Instead of this being done, the whole amount was paid to the contractor. The Minister must also agree with me that the actual cost of work on that road was Kshs300 million, and that Kshs209 million was paid to people who protect Mr. Behal against the Ministry. Could the Minister confirm to the House that this is the same man who did Juja Road in Nairobi two weeks ago? This same road is now completely washed away. He is the same contractor who did Kenyatta Road in Gatundu Constituency, which has started to wear out. He is the same contractor who is doing all the roads in this country. Could the Minister tell us whether there are no African contractors except this Asian who can do our roads and be paid millions of shillings?

Mr. Kones: Mr. Speaker, Sir, it is not fair to treat one contractor unfairly like this. The figures that we have show that the retention money has been taken by the contractor because retention period is over. We are talking of the completion of the work in March, 1995. It is now 1998 and we are talking of one year retention time. So, that money has already been paid out. Secondly---

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

Mr. Speaker: Order, hon. Members! I suppose that the reason why you ask Questions is because you want answers. It is very apparent that the hon. Member for Juja has put a question to the hon. Minister, which

the hon. Minister was attempting to answer. But, apparently, hon. Ndicho is anxious to get that answer. Can we, at least, get the answer, then you can reasonably stand on a point of order.

Proceed, Mr. Kones.

Mr. Kones: Mr. Speaker, sir, I think the confusion arose here because there were two separate contracts for work on that road. One contract covered 17 kilometres and another one 23 kilometres. Two payments were thus made, one of Kshs219 million, and the other of Kshs289 million.

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

Mr. Speaker: Order, Mr. Michuki! One thing that hon. Members must learn is that I cannot have two hon. Members standing at the same time. That is total disorder! The position is that when one hon. Member is on the Floor, everybody else shall be silent. If an hon. Member stands on a point of order, it must be a genuine point of order anyway.

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

Mr. Speaker: Mr. Michuki, thou shall never interject Mr. Speaker! You are already out of order! So, shall we have order? Mr. Michuki, what is your point of order?

Mr. Michuki: Mr. Speaker, Sir, my point of order is that an allegation has been made here by hon. Ndicho that Kshs209 million have been taken by the protectors of Mr. Behal. Could he substantiate that allegation?

Mr. Speaker: Order! Precisely that is the reason why I was asking you to obey the laws of gravity and sit down. The Minister was still answering to Mr. Ndicho, and Mr. Ndicho was anxiously waiting to hear what the Minister had to say about Kshs209 million. You are not allowing him to say it. The Minister will be very happy if he is interrupted because he knows that I may call the next Question. But I am not quite anxious to do that before I hear about the Kshs209 million.

Mr. Kones, will you proceed?

Mr. Kones: Mr. Speaker, Sir, I wanted to clarify that there were two contracts on the same road. One was for Nairobi-Ruiru Road, and it covered 17 kilometres. It cost the Government Kshs219 million. Work on another section of the road from Ruiru to Thika cost Kshs289 million. The total cost of work on the two sections was Kshs509 million. We need to realise here that we are talking of a dual carriage-way. So, the 40 kilometres which we are talking about amount to twice the distance because the road has four lanes. So, we are talking of construction on 80 kilometres of road. Probably, the hon. Member did not understand that there were two contracts which cost the Government a total of Kshs509 million.

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

Mr. Speaker: Order, Mr. Nyanja! Just before I give you a chance let me say that some hon. Members may find it extremely difficult to catch my eye if they are sitting in the wrong places. If you are supposed to be participating in the business of the House from the Back Bench and you want to catch my eye, be in your rightful place.

Mr. Nyanja: On a point of order, Mr. Speaker, Sir. I do not know whether you heard it as clearly as I did. Hon. Ndicho told this House that this particular contract started in 1995 and was completed in 1997. But the Minister himself says that the work was completed in 1995. I do not know whether you heard that! Where is the truth? According to hon. Ndicho, the contract started at the time when, according to the Minister, it ended. Could the Minister explain because this is a serious matter where public funds have been spent. When hon. Kones took over as the Minister for Public Works and Housing, he said that he would go into details of the specifications of contracts for work on roads before signing the contracts with contractors. Now, is he satisfied that the work was done as per specifications? Could he also lay on the Table, documents showing that, that road was done as per specifications so that professionals in this House can examine them?

Mr. Kones: Mr. Speaker, Sir, what I am saying is the truth. The work was completed in November, 1995. What hon. Nyanja seems to know about 1997 is not in my knowledge; I do not know about that. Two, I actually said that we will go by the proper specifications, so that all the contracts will be charged as per the specifications laid out by the engineers. This same contract satisfied the correct specifications. So, I have nothing against Krishan Behal.

Mr. Speaker: Very well. Next Question!

(Several Members stood up in their places)

Order! Order now! I think we have finished with that Question. Mr. Gitonga's Question, now!

Mr. Munyasia: On a point of order Mr. Speaker.

Mr. Speaker: Sorry, Mr. Munyasia! Sorry, we are on the next Question.

Question No.211

DESTRUCTION OF FORESTS IN LARI

Mr. Gitonga asked the Minister for Natural Resources:-

(a) if he is aware that Kinale, Kamae and Kereita forests in Lari Constituency are systematically being destroyed leading to the drying up of streams and wells; and,

(b) if the answer to "a" above is in the affirmative, what immediate remedial action he is taking to stop this wanton destruction of forests in the area.

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

I am not aware that Kinale, Kamae and Kereita forests in Lari Constituency are systematically being destroyed, leading to the drying up of streams and wells. In the Ministry's view, the drying up of streams and wells is attributed to several other factors, including the use of water upstream for irrigation through the sinking of bore-holes.

Mr. Gitonga: Who are you?

Mr. Twaha: Hon. Twaha, an Assistant Minister for Natural Resources.

Mr. Gitonga: Mr. Speaker, Sir, I sympathise with the Assistant Minister for he has not had an occasion to travel to Nakuru from Nairobi. This is not the first time I am raising this Question. This is the third time I have raised this Question and each time, I got a different answer. Each time, however, I got the answer that the Minister is not aware of the destruction being done on those forests.

Mr. Speaker, Sir, if you want corroboration about my contention, just as recently as last month, on 15th May, 1998, the District Commissioner visited Lari. I was not there myself but this is what he had to say: "All tree felling licences in Kiambu District had been revoked". This is according to the *Daily Nation* of 16th May, 1998. Yesterday, the area DC, Mr. Reuben Rotich, also ordered out all foresters in Lari Division. The DC said that he was shocked by the destruction of forests in the area. The DC went on further to say: "The first thing I will do is to make sure that all foresters in Lari are out of Kiambu District".

Mr. Speaker, Sir, these were the words of the Kiambu DC who visited the area in my absence. What people see as they travel to Nakuru is really nothing because they have started planting trees along the road but in the interior, the forest has completely been destroyed and no replanting is taking place there.

Mr. Speaker, Sir, the destruction of forests has now gone out of control. The people responsible for the destruction are the Government officers because the foresters have given licences to fell trees indiscriminately to the people.

Mr. Speaker: Ask the question now.

Mr. Gitonga: Mr. Speaker, Sir, would the Assistant Minister, now, agree with me that the forests have been destroyed completely and that no re-planting is taking place?

Mr. Twaha: Mr. Speaker, Sir, I cannot agree with the hon. Member that no re-planting of forests is taking place in the said areas. I have here with me, the re-planting programme for 1998. This year's planting programme for Kinale, Kereita and Kamae has already covered 200 hectares out of the projected 2,000 hectares. The survival rate is expected to be high following the *El Nino* weather phenomenon and the introduction of non-resident cultivation. At the moment, we have industrial plantations ranging from one year to over 35 years. One-third of the planting programme will comprise indigenous trees to enhance environmental conservation and water catchment areas.

I have the schedule here with me for the plantation establishment in Kinale, Kereita and Kamae. Trees aged between one to 10 years cover 669.55 hectares; those aged between 11 and 20 years, cover 631.93 hectares while those aged 21 to 30 years, cover 575.9 hectares; and, those which are over 30 years old, cover 160.98 hectares. The total forest coverage is 1,877 hectares.

Mr. Speaker, Sir, therefore, I cannot agree with the hon. Member that no re-planting of trees is taking place in Lari.

(Several Members stood up in their places)

Mr. Speaker: Mr. Keriri.

Mr. Keriri: Mr. Speaker, Sir, I put it to the Assistant Minister that the figures and schedule he has read

to this House are those prepared by the same foresters who have been destroying the forests and who may also be the same people who want to cover the story. Because the DC was there, he saw the destruction. Those people have given the Assistant Minister the wrong answer. Is the Assistant Minister now prepared to go there with the hon. Member and check the facts instead of being shy here and giving us wrong answers?

Mr. Twaha: Mr. Speaker, Sir, as a matter of policy, my Ministry has taken appropriate disciplinary measures against lax officers responsible for forest destruction throughout the country.

(Several Members shot up in their places)

Mr. Speaker: The hon. Member behind there--- Sorry, what is your name?

Mr. Nderitu: Hon. Alfred Nderitu, Member for Mwea.

Mr. Speaker: All right, Mr. Nderitu.

Mr. Nderitu: Mr. Speaker, Sir, I am perturbed by the reply from the Assistant Minister. In Mwea, we have got about 10 acres of forest land which have been destroyed as the forest officer watched. If you are taking action, that man needs to be removed from there.

Mr. Speaker: What is your point of order?

Mr. Nderitu: Is the Assistant Minister in order to cheat the House that he is taking action against his officers---

Mr. Speaker: Order! Order! Mr. Nderitu, I normally do not interfere with Members on a point of order. But when you, yourself, breach the orders of this House, I must correct you. We do not use the word "cheating" in this House; never! So, can you swallow that and get something better?

Mr. Nderitu: Thank you, Mr. Speaker. I am learning day by day. I meant to say he was "misleading" the House. Could he take action against the foresters in my constituency?

Thank you.

Mr. Twaha: Mr. Speaker, Sir, I am not aware of what is going on in Mwea. Perhaps the hon. Member would put that as a separate Question, so that we can look into it.

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

Mr. Speaker: Mr. Munyao, what is your point of order?

Mr. Munyao: Mr. Speaker, Sir, the Chair should guide the House. The hon. John Matere Keriri requested the Assistant Minister to visit the forests and check for himself to verify the correctness of that answer, so that he may come back to this House and give the correct answer. But the Assistant Minister has refused. Now, is he in order to confuse us?

Mr. Speaker: I do not know what the Assistant Minister wants to do. Maybe he should have suggested that he flies over the forest. What do you want to do actually?

Mr. Twaha: Mr. Speaker, Sir, if the hon. Member insists, I will have no objection to visit his constituency.

Mr. Speaker: Well, last question hon. Philip Gitonga.

Mr. Gitonga: Mr. Speaker, Sir, this is a very important Question and the Assistant Minister is taking it lightly. Sometime back, I think some two or four years ago, hon. ole Ntimama had people removed from Enoosupukia, and even killed some of them, because he termed that area a "water catchment area". And now, the Ministry of Natural Resources is playing about with water catchment area in Lari. Ruiru and Ndarugo rivers originate from that area and they are drying up! Thank God, the *El Nino* has kept these rivers flowing otherwise they would have been dry by now.

Mr. Speaker, Sir, could the Assistant Minister give us a date when we can go to Lari? Because if the area Member who went to all those places is wrong; and the DC who visited the area and recommended the removal of the foresters because they are the ones responsible for the destruction of those forests--- Could the Assistant Minister give this House a date when we can visit those areas?

Mr. Twaha: Mr. Speaker, Sir, if the hon. Member so wishes, we can mutually agree on a date when I will visit his constituency.

QUESTIONS BY PRIVATE NOTICE

REDEPLOYMENT OF FORMER AERODROMES
DEPARTMENT EMPLOYEES

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

(a) Is the Minister aware that there are 53 civil servants of former Aerodromes Department seconded to the Kenya Airports Authority and who have not been re-deployed anywhere?

(b) Is he further aware that these employees have not been paid their salaries since April, 1997 and that their three representatives were harassed on 30th March, 1998 when they went to enquire about their fate and dues at the office of the Head of the Public Service?

(c) When will the Government re-deploy the 53 employees and pay them their salary arrears?

The Minister of State, Office of the President (Mr. Ndambuki): Mr. Speaker, Sir, I would like to seek the indulgence of the House that I be given more time to carry out investigation on this because the answers I got are not satisfactory.

Mr. Sifuna: Mr. Speaker, Sir, while accepting the Minister's request, can he tell us when he will be prepared to bring the correct answer?

Mr. Speaker: I direct that he should come with that answer next week. That Question will be deferred.

(Question deferred)

IMMINENT COLLAPSE OF MKOMANI CLINIC SOCIETY

(Mr. Maitha) to ask a Minister of State, Office of the President:-

(a) Is the Minister aware that a Non-Governmental Organization called Mkomani Clinic Society in Mombasa is faced with a management crisis and that the Donor Agency (USAID) supporting the project is about to pull out?

(b) Is he further aware that the Board of Management which is mainly composed of close relatives is conspiring to isolate and kick out certain Members of the Board of Management on racial grounds?

(c) If the answers to "a" and "b" above are in the affirmative, what immediate action is he taking to save the society from imminent collapse and ensure that all the interested parties are represented in the Board?

Mr. Speaker: Hon. Members, Question No.2 by Private Notice will be dropped. The Minister and the hon. Member who filed the Question have agreed mutually that this should be so.

(Question dropped)

COMMUNICATIONS FROM THE CHAIR

APPOINTMENT TO THE CHAIRMAN'S PANEL

Mr. Speaker: Hon. Members, pursuant to the provisions of Standing Order No.10, I have appointed the following hon. Members to compose the Chairman's Panel: Hon. David Musila, MP, Hon. Samuel L. Pogishio, MP, Hon. Gitobu Imanyara, MP.

MOTION OF NO CONFIDENCE: MEMBER HAS NOT COMPLIED WITH RULES

Mr. Speaker: Hon. Members, I am in receipt of two letters from the Member of Ugenya, hon. James Orengo, in connection with the Motion he intends to move in this House. The first letter contains the intended Motion and the second one directs the Chair thus:

"I intend to move the Motion without notice. In the unlikely event that you do not allow me to move the Motion, before 11th June, 1998, I will have no alternative but to move it on 11th June."

Hon. Members, Section 59 (3) of the Constitution of Kenya, under whose provisions the intended Motion is to be moved, mandates as follows:

"If the National Assembly passes a resolution which is supported by the votes of a majority of all the Members of the Assembly, excluding the ex-officio Members and of which not less than seven days notice has been given in accordance with the Standing Orders of the Assembly, declaring that it has no confidence in the Government of Kenya and if the President does not,

within three days of the passing of that resolution either resign from his office or dissolve Parliament, Parliament shall stand dissolved on the fourth day following the day on which that resolution was passed."

The relevant Standing Orders as directed by that constitutional section are Standing Order No.40 Sub-section (1) to Sub-section (3)(e). The Motions expressing lack of confidence in the Government do not always contain reasons in their terms. The Motion is usually - but not must - demanded by the leader of the Official Opposition. The basis of this is drawn more from convention than procedure, which recognizes him as leading the Official Opposition, being the "largest minority party which is prepared, in the event of the resignation of the Government, to assume office."

The Motion is also moved as an original substantive Motion after due notice in accordance with the provisions, of the Standing Orders. The purported Motion, therefore, cannot be moved under the provision of Standing Order No.45 as the hon. Member pretends to want to. In accordance with the provisions of Standing Order No.40(2), the procedure for the submission of Motions is as follows:-

"Before giving notice of a Motion, the Member shall deliver to the Clerk - and not to Mr. Speaker - a copy of the proposed Motion in writing and signed by himself; and the Clerk shall submit the same to Mr. Speaker."

As a result of this provision, the two letters by the Member for Ugenya are regarded as correspondence between the Member and Mr. Speaker but not the filing of a Motion. The procedure for the filing of a Motion is directed by the above quoted provisions. Consequently, the effect of the two letters are to direct Mr. Speaker to allow the hon. Member to move a Motion which has not been filed and, therefore, not approved to be placed on the Order Paper before 11th June, 1998. The hon. Member further directs the Chair that if his instructions are not complied with, he will attempt to disrupt the Budget Speech by the Minister for Finance. All these demands from the hon. Member amount to intimidation and blackmail of the Chair. The Chair will not, under any circumstances, succumb to any intimidation or blackmail either from an individual Member, a political party or a group of Members.

In conclusion, therefore, the Member for Ugenya is advised that he has not filed any Motion to be approved for him to move substantively. He is of course, at liberty to comply with the rules and file any Motion at such time as he pleases.

POINT OF ORDER

HON. MURATHE'S RESIGNATION: MATTER *SUB JUDICE*

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. I would like to seek guidance from the Chair. I would like to know whether the rulings from the Chair of this House can be used by somebody else from outside this House as evidence in court. This has happened to hon. Murathe. Somebody has gone to court and claimed that hon. Murathe resigned and he is basing his argument on a ruling made in this House. We know that you made a ruling in this House and you forgave hon. Murathe as God would have forgiven him. A certain individual from Gatanga has now gone to court to file a petition. We are aware of the fact that we cannot discuss matters that have been taken before a court of law. Does that not apply to the resolutions of this House? We need guidance from the Chair on this issue.

Mr. Speaker: May I say this, hon. Members. I have, in fact, taken the liberty, in my duty, to assist, inform and guide the House, as to the procedures to be followed because it is my wish. It is my intention to help this House become a respected institution in this country. For Parliament to be respected, the Members themselves must respect its sanctity. During my Speakership, I intend to ensure that Parliament is respected by Members and those outside. Parliament must have its authority fully and exercise it as mandated by the Constitution. Mr. Ndicho, as for the matters that you have raised about the suit against hon. Mr. Murathe, I do not have much to say. I have already discharged my duty to this House. I made a ruling which I thought, in the circumstances, was the best I could do for the people of Kenya and for this House. You may probably be interested to know that Mr. Speaker is among the defendants in that suit. Since the matter is *sub judice* I will respect the rule of *sub judice* and completely desist from commenting further on that issue.

Next Order!

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

Mr. Speaker: Order! Order! Just in the event that Mr. Gatabaki does say that I am hostile to him, what is it?

Mr. Gatabaki: Thank you, Mr. Speaker Sir. There is a perception outside this House that you are intimidatory, you harass the Members of the House and that you are pre-empting what the constitutional duty of a Member of Parliament is. The feeling out there is that you are very oppressive to the House and the Opposition Members are intimidated by your ruling. I felt that I should communicate that to you.

Mr. Speaker: Hon. Gatabaki, had you been speaking for the House, you would have had heard it. They would have used their thump-footing but there was total silence. It means that they do not agree with you.

(Laughter)

Now they do agree with me! Next Order!

MOTION

ADOPTION OF THE SEVENTH PIC REPORT

Mr. Kapten: Mr. Speaker, Sir, thank you for granting me this chance to move the Motion for adoption and debate of the Seventh Report of the Public Investments Committee.

I beg to move the following Motion:-

THAT, this House adopts the Seventh Report of the Public Investments Committee on the accounts of State Corporations laid on the Table of this House on 22nd April, 1998.

Mr. Speaker, Sir, let me take this opportunity first, to once again pay tribute to the Chairman of the Public Investments Committee that produced this Report, the late hon. John Peter Mutere, who tragically passed away before he could see the fruits of his work. The late Mutere involved himself in the Committee's work. His guidance and leadership helped the Committee a lot. He was a humorous and hardworking person, and that made the Committee's work very easy. Therefore, I can say that this Report is a testimony of the work of the late Peter Mutere.

The Public Investments Committee had the following Members whom I would like to thank for enduring long hours to work for the Committee. The Members were the late John Peter Mutere, who has, as I have said, passed away; hon. Dalmas Otieno who was a KANU Member of Parliament (MP) and is no longer with us; hon. James Orendo who was a FORD(K) MP, and he is still with us; hon. Mutinda Ndambuki, a KANU MP whom the electorate rejected; hon. S.K. Cheserek who was a KANU MP and was given a leave of absence by the electorate; hon. Douglas Mbela, who was a KANU MP; hon. Mohammed Shidie who was a Nominated MP but has come back as an elected MP; hon. George Kapten who is still with us; hon. Otieno-Kopiyo, who lost the elections; hon. Gacuru wa Karengi who was a FORD(A) MP but is no longer with us; hon. Joseph Mulusya, who was a DP MP, and is no longer with us.

Mr. Speaker, Sir, on behalf of the Committee, I would like to thank the witnesses who gave evidence. These are the Chief Executives of parastatals who appeared before us to give evidence on behalf of their parastatals. The Committee also extends its thanks to the staff of the Auditor-General (Corporations), the Treasury and the National Assembly for greatly facilitating the Committee's work. The Committee held 94 sittings in which it closely examined the audited accounts of 38 State Corporations and the Reports of the Auditor-General (Corporations). The Committee was non-partisan. Its decisions were based on the evidence. The recommendations were made on the basis of unanimity. The recommendations were based on factual evidence received from witnesses and the Chief Executives of the various State Corporations.

The Committee also undertook a field inspection tour which covered the Kenya Airports Authority, the Kenya Ports Authority, the Kenya Marine and Fisheries Research Institute, the Industrial and Development Corporation and the Kenya Posts and Telecommunications Corporation, to make on-the-spot examinations of the operations of those State Corporations. The Seventh Report does not make a pleasant reading at all. The overwhelming damning evidence of misappropriation of public funds, mismanagement and, in some cases, outright embezzlement of public funds, is clearly the last thing Kenyans want to see and witness. The State Corporations exist to serve public interest. The public does expect some measure of financial prudence in the management of these parastatals. However, it is clear that almost all the Chief Executives of the State Corporations are deliberately, and without shame, misusing public funds.

Mr. Speaker, Sir, it is not my intention to accuse all Chief Executives of State Corporations. Indeed, some have done a commendable job. In this respect, I wish to commend the Chief Executive, Kenya Posts and Telecommunications, Mr. Jan Mutai, who, for the short period he has been at the helm of the Kenya Posts and Telecommunications Corporation, has done a commendable job.

Mr. Speaker, Sir, before he took over, we know that Kenya Posts and Telecommunications Corporation was moribund. You can see this from the big building, the General Post Office, which the previous Chief Executive had started to construct. This project could not proceed because of financial mismanagement. However, since Mr. Mutai took over, he has done a commendable job and he is now trying to finish the construction of the General Post Office.

Mr. Speaker, Sir, since it is not possible for me to go through each parastatal, I have chosen a few to illustrate the most critical problem in these State Corporations. The areas that I have chosen as follows:-

- (1) Restructuring of State Corporations;
- (2) Overexpenditure without approval;
- (3) Investment of funds contrary to Treasury Guidelines;
- (4) Government debts;
- (5) Dormant or abandoned projects;
- (6) Harmonization of enabling Acts and the State Corporations Act;
- (7) Delay in submission of accounts;
- (8) Privatisation programme; and,
- (9) Implementation of PIC Recommendations.

Mr. Speaker, Sir, the Committee noted with a lot of concern that certain State Corporations have taken a long time to receive Cabinet approval for restructuring. This has greatly hampered effective operations of corporations leading to further deterioration of their financial status. Examples of such corporations are; the Agricultural Finance Corporation Act and the Kenya Ferry Services Act. If you look at the reason why AFC was established, you will find that there were very noble reasons.

Mr. Speaker, Sir, Section 3 of Cap. 323 which established the Agricultural Finance Corporation states as follows:-

"The functions of the corporation shall be to assist in the development of agricultural and the agricultural industries by giving loans to farmers, co-operative societies, incorporated group representatives, private companies, public bodies, local authorities and other persons engaging in agriculture or agricultural industries."

Mr. Speaker, Sir, when you look at the Agricultural Finance Corporation, it is not carrying out any of the functions as provided for in this Act. The Corporation is completely dead, it is not providing any loans to the farmers; whether they are loans for farm purchase or loans for agricultural inputs. It is a moribund organisation and it is important that the Government takes urgent action to restructure the Agricultural Finance Corporation so that it can carry out the functions or the duties that it was given by wananchi.

Mr. Speaker, Sir, the Committee once again was given the promise that the Sessional Papers on the structuring of these two parastatals will be tabled in Parliament. This promise was made way back in 1992 and this is 1998. The Report that we are talking about was done in 1997, five years later, yet nothing has happened so far in terms of restructuring. The Committee takes great exception to this. The Government, or the respective Ministries, must move expeditiously to ensure that these vital Sessional Papers are laid on the Table as soon as possible.

Mr. Speaker, Sir, on the question of expenditure without approval, various parastatals blatantly disregarded financial regulations by incurring expenditure without prior Treasury approval. One good example is the Kenya Railways Corporation which incurred an overexpenditure of Kshs272,862,783. This was done without the Board's approval and yet nothing happens to this Chief Executive who misuses public funds without the necessary Board's approval.

Another corporation which spent money without approval from the Board is the National Oil Corporation. This Corporation spent a sum of Kshs55,253,226. This was also done without the Board's approval. The Kenya Pipeline Company spent a sum of Kshs39,194,576 for projects not approved by the Board and the parent Ministry.

Mr. Speaker, Sir, as regards the National Social Security Fund, the Committee, which prepared the Fifth PIC Report noted that the Fund had heavily invested in land. More money than the market value was used to pay for most of these plots and no appropriate reason given for the excessive expenditure. Although the Committee made recommendations in the Sixth Report, no action was taken by the Government to carry out evaluation of the plots in order to establish whether the NSSF got value for their money. The issue was revisited in our Committee and I will give a few examples.

Mr. Speaker, Sir, there was purchase of an estate called Tassia Coffee Estate in Embakasi. This was purchased without approval from the Board of Trustees as required by the Act.

Section 27 of the NSSF Act states as follows:-

"All monies in the Fund which are not for the time being required to be applied---"

QUORUM

Mr. Kathangu: On a point of order, Mr. Speaker, Sir. I am raising the issue of quorum under Standing Order No.24.

Mr. Speaker: Are you saying that there is no quorum?

Mr. Kathangu: There is no quorum, Mr. Speaker, Sir.

Mr. Speaker: You are right, Mr. Kathangu, there is no quorum. Ring the Division Bell.

(The Division Bell was rung)

Mr. Speaker: Order! We now have a quorum. Proceed, Mr. Kapten!

Mr. Munyao: On a point of order, Mr. Speaker, Sir. For those of us who like this Parliament, we feel that like is the practice in other parliaments, the quorum must not be 30 Members. Would it not be a good idea if we could consider having three Members to meet a quorum because I believe there is no time the House can lack three Members; that is, Mr. Speaker and two other Members, so that we do not have to interrupt the business of the House every time? I am just drawing this to your attention, because you are the Chairman of most of the House Committees. I would also like to beseech Members of Parliament not to draw the attention, of the Speaker to the lack of quorum because we would like the business of the House to be transacted. Wananchi are not holding us in esteem because every time there is lack of quorum in the House. We should not draw the attention of the Chair to this, because the Chair does not see so that we continue with the business of the House uninterrupted.

Mr. Kathangu: On a point of order, Mr. Speaker, Sir. I am not putting up an argument, but it is a fact that 222 Members are supposed to be in this House. It would, therefore, be wrong to say that just three can transact business on behalf of 222 Members.

Mr. Speaker: Could I arbitrate? As you can see, I do not have my spectacles, so I am not seeing, but I can hear very well. When a Member rises and refers me to Standing Order No.24 or whatever, I hear very well. As it is now, the law stipulates that 30 Members must be present in the House to transact business. But you could be less than 30 if you do not complain. If you complain, I have no choice but to obey the law. The law says that if a Member rises and says that there is no quorum, I have no alternative but to be sure that there is no quorum and then call for the Division Bell.

As concerns your other request, that we should look at the possibility of making a quorum of three, it is not on the Floor of the House that you can do that. You can write to the Chairman of the Standing Orders Committee and make that suggestion. If it finds favour with the Members, then it will find its way into the Standing Orders. If the House refuses, there is nothing I can do. But for now, we operate under the Standing Orders in place. I am satisfied we have a quorum and I will ask Mr. Kapten to continue. It is really up to you. I cannot tell you not to say there is no quorum. I have no *locus standi*.

Proceed, Mr. Kapten!

Mr. Kapten: Mr. Speaker, Sir, I was talking about expenditure without approval specifically regarding the National Social Security Fund. Section 27 of the National Social Security Fund states as follows:-

"All monies in the Fund which are not for the time being required to be applied for the purposes of the Fund shall be invested in certain investments, being investments in which any trust fund or part thereof is permitted by the Trustees to be invested as may be determined by the Board of Trustees with the approval of the Minister, and the Minister for the time being responsible for matters relating to finance."

Mr. Speaker, Sir, the law is very clear. It says, any expenditure must be approved by the Board and the Ministers responsible. In this particular case, the Chief Executives of the Fund have flouted this law. They have gone on to spend enormous amounts of public funds without the Board's approval.

The legal fees of this particular transaction involving Tassia Coffee Estate was Kshs18,911,700 which was paid without any due regard to the Advocates Remuneration Order. Although I am a lawyer, it appears that some of my colleagues are taking public funds without authority. It is outright theft for any lawyer to raise a fee note which is not in conformity with the law governing lawyers, which is the Advocates Remuneration Order. We took evidence in this particular case, and the lawyers who were involved were from a firm called Adera and Company Advocates which was paid this money by the Chief Executive, without authority.

Mr. Speaker, Sir, the Fund also purchased two plots in Nairobi South B Estate without the approval of the

Minister.

If you look at the Report you will find that some of the plots were purchased at a higher price than the market price. We looked at a list of 48 plots although, I do not intend to go through the whole list. Instead, I will just highlight a few of them. We have a plot LR No.209/10662 which cost Kshs35,267,978.90 and yet its market price by then was Kshs17,500,000. This means that the sum of money which was paid to the owner of the plot was double the price. The sum of money paid for another plot LR No.209/1066 was Kshs30 million while the market price for this particular plot was only Kshs7 million

Mr. Michuki: On a point of order, Mr. Speaker, Sir. My point of order is that the Mover of this Motion has brought about the concept of market price. The market price is the amount a willing buyer is prepared to pay to a seller. Could the hon. Member explain to the House what he means by market price?

Mr. Speaker: Hon. Michuki, I cannot help you. Maybe hon. Kapten can help you.

Mr. Kapten: Mr. Speaker, Sir, we are talking about public funds and the value of the plots at the time they were purchased. We are also talking about owners of the plots who buy them today and sell them tomorrow at three times the price at which they bought them. They sell them to public institutions and not to individuals. In short, we are talking about misappropriation of public funds.

The two other plots that I wish to mention are LR No.209/7634 and its extension. The market value of these plots was Kshs800 million but the money which was paid to the owners of those plots by the Fund was Kshs4.4 billion. This was a clear case of misappropriation of public funds.

Mr. Speaker, Sir, we also had a case of the extension of the National Social Security Fund (NSSF) House in Nairobi. The original contract for this project was for Kshs467,712,570, but the project was varied to cost Kshs2,743,385,430. This project was not properly conceived, planned and implemented and at the end of it all it cost the NSSF a total sum of Kshs3,005,111,182.45. This was an overexpenditure of Kshs2,537,388,611. This is another clear case where public officers misused public funds. I do not understand how a project which was supposed to cost only Kshs467 million cost over Kshs2 billion.

On the investment of funds contrary to the Treasury guidelines, some State parastatals invested in some financial institutions and private banks which were later put under receivership, or under the Central Bank of Kenya Deposit Protection Fund Management. These investments were done contrary to Treasury Circular No.10 of 1992, which requires State Corporations to invest in Government Bonds or Treasury Bills. Examples of such corporations include the Kenya Posts and Telecommunication Corporation (KPTC), which invested a sum of Kshs161,678,039 in financial institutions, which were later put under receivership. The National Oil Corporation of Kenya also invested a sum of Kshs324,659,027 in private banks. The Kenya Tourism Development Corporation invested a sum of Kshs274,169,336 in five private financial institutions. The famous NSSF invested a sum of Kshs494 million in five financial institutions, which were later put under receivership. You can see how public funds are being misused by some of the chief executives who have been put in positions of trust.

Mr. Speaker, Sir, I would also like to touch on the Government's debts. Many State Corporations are facing serious cash flow due to delay by the Government to off-set debts that it owes them. In fact, the Government is a bad debtor. It has largely contributed to the collapse of quite a number of State Corporations. One good example, where the Government has failed to pay a State Corporation which has almost collapsed, is the National Cereals and Produce Board (NCPB). The Government owes the NCPB a whopping sum of Kshs1,040,260,780. The Government also owes the Kenya Ports Authority a sum of Kshs287,231,401. No appropriate reason has been given to show why the Government cannot pay these Corporations. Yet they are collapsing because of cash flow problems.

Mr. Speaker, Sir, we have a problem with dormant and abandoned projects by State Corporations. The Committee was greatly disturbed by the great number of dormant and abandoned projects undertaken by some State Corporations. A lot of public funds were sunk into these projects which do not have any signs of completion. The following State Corporations abandoned their projects. The Kenya Pipeline Company abandoned a housing project after it had spent a sum of Kshs46,164,954. The Kenya Medical Research Institute abandoned a project after it had spent a sum of Kshs101,727,177, and a further sum of Kshs5,575,472. These two projects were later abandoned and the money cannot be recovered. The Kenya Posts and Telecommunications Corporation (KPTC) incurred an expenditure of Kshs482,872,745 on professional fees for projects which were later abandoned or became dormant. I can see an hon. Member, who was the former Chief Executive of KPTC listening very keenly. I hope---

The Minister for Water Resources (Mr. arap Ng'eny): On a point of order, Mr. Speaker, Sir. Is the hon. Member in order to insinuate that the former Chief Executive is listening keenly? I am listening very carefully.

Mr. Speaker: What is your point of order?

The Minister for Water Resources (Mr. arap Ng'eny): The hon. Member is insinuating bad motives.

Mr. Speaker: Order, all of you! Hon. Kapten, I think that even if it was with a light touch, every Member, under the Standing Orders here, is supposed to sit there and listen very carefully. Every Member who comes here is mandated by his people and the rules to sit quietly and listen very carefully, particularly, to what the Member for Kwanza has to say.

Proceed, hon. Kapten.

Mr. Kapten: That is precisely what I said. I noticed that the hon. Member who is seated opposite me was listening very carefully. I was congratulating him for listening very carefully.

Mr. Speaker, Sir, another project was abandoned by the Industrial and Commercial Development Corporation (ICDC). The Corporation spent a sum of Kshs850,180,990 on a soya oil project in Mombasa. This project was later abandoned. I would like to make a few remarks on this abandoned project, which was conceived and implemented by the ICDC, Treasury and the parent Ministry.

The Committee formed a sub-committee with clear terms of reference, to look more deeply into the circumstances surrounding the initiation, planning, implementation and the eventual abandoning of this project, after a massive expenditure of public funds. The Committee was appalled by the mode of purchase of the equipment and the fact that most of the imported equipment, which was purported to be special machinery, was locally available. We looked at what was labelled as specialised machinery when we visited the site of the project.

We were greatly surprised that what was called specialised machinery was none other than ordinary corrugated iron sheets, which are readily available locally. Furthermore, the few specialised equipment so dearly purchased was unprotected from the harsh climatic conditions of the Coast Province from the year 1992, when it arrived in this country, to the time when we did the inspection in 1997. The findings of the sub-committee clearly indicated gross anomalies as regards to the manner in which this project was implemented. The Report of the sub-committee is attached to the main Report. I wish to make a few observations about this particular project.

The evidence received by the Committee indicates that there was a Mr. John Savage of Savage Holdings Limited, Nairobi, who had since 1980, been interested in establishing a soya oil processing plant. His efforts to get foreign funding from abroad were fruitless, since he could not get any financial institutions to guarantee a loan that he was looking for. In 1990, Mr. Savage approached a Mr. Chilan Oscar, the proprietor of Food Industries Holding Company, who was interested in forming a partnership with him. Before embarking on the project, he put forward certain conditions that had to be met. Firstly, Mr. Savage had to ensure that all the necessary approvals from various Government departments were obtained. He was also expected to ascertain that financial arrangements were in place from local sources such that once the machinery were finally off-loaded in Mombasa, putting up the plant would begin without financial hitches.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, the other important aspect was the availability of locally produced soya beans to lessen importation costs and ensure stable supply of the produce throughout the manufacturing period. But for unexplained reasons, Mr. Savage shelved his ideas and turned to other sources for financing. He approached the International Finance Corporation, Commonwealth Development Corporation, Export Finance Limited, East African Development Bank, Barclays Bank and Commercial Bank of Africa, all of whom dismissed the project, since it relied on foreign capital and materials, and also for being heavily capitalised. By this time, which was 1982, he had already identified the suppliers of equipment, known as Dismet of Belgium and Simon Rosedown of London. In 1984, Barclays Bank International offered a financial package of US\$2 million with two conditions amongst others. The first condition which Barclays Bank gave was that the borrowers must be a State-owned development bank in Kenya. The other condition was that the guarantor be the Kenya Government. Mr. Savage tried to get guarantees from the Kenya Commercial Bank but it declined. He then approached Mr. Robson of ECGD, who had earlier on committed himself to assist in getting funding for this particular project. His proposal, among other things, stipulated that the borrower had to be a suitable Kenyan company, and that the guarantor was to be the Government of the Republic of Kenya.

Mr. Temporary Deputy Speaker, Sir, in May, 1986, Mr. Savage approached ICDC and found them interested in the project. The feasibility study carried out by the ICDC envisaged that a plan to be implemented should be in two phases. Phase I entailed an old extraction plant while Phase II entailed a refinery. As far as

viability was concerned, Phase II was supposed to provide cash flow from the sale of oil and animal feeds. Therefore, the ICDC argued that viability of the plant without the income-generating factor was in question. The purchase of machinery for Phase I only without Phase II would definitely lead to the collapse of the project. Secondly, the ICDC should have secured finances ahead of importation of machinery while the Treasury should also have established the source of financing such that construction work would start immediately the machinery arrived in the country. When the machinery finally arrived, ICDC did not have the money to start construction work and the promises the Treasury had made of financial assistance were not honoured. These promises were made by very high powered people in the Treasury; the former Permanent Secretary, Mr. Mbindyo and Dr. Koinange. They had promised that the Government was going to avail the necessary funding for the construction of this project. However, at the end of the day there was no money from the Treasury which went to the project despite the fact that over of Kshs800 million had been used by the State Corporation.

Mr. Temporary Deputy Speaker, Sir, when the machinery finally arrived, the ICDC did not have the money to start the construction of the premises and the promises which were made were never fulfilled. Under those circumstances, no donor could provide financing for Phase II when Phase I had not yet been fully financed. Before the commissioning of the project, issues like local growing of soya beans had to be dealt with. While all other Government departments gave their blessings, the Agricultural Development Corporation (ADC) had several reservations. The evidence adduced to the Committee indicates that Mr. Savage had an upper hand in the identification of suppliers. He was the keyman in planning and implementing the project. If hon. Members could go through the evidence which was adduced before the Committee and the sub-committee, they will certainly find that Mr. Savage was a conman who had conned the State Corporations millions and millions of shillings.

Mr. Temporary Deputy Speaker, Sir, the ADC was ready to assist in the development and the spearheading of the growing of soyabeans in the country and needed time for this exercise to be accomplished before the initiation of the soya-beans project. This issue was, however, ignored, if not down-played by the project developers. The ADC also questioned the availability of a ready market for the products of this project, but nobody wanted to listen to what the ADC officials were saying. The location of the industry was also questioned. The ADC insisted that the project should be located near a soya bean growing region to reduce transportation costs, while ICDC strongly argued that the location should be near the port of Mombasa. We have two competing State Corporations which never agreed on the location of this project, and the implementation and planning of this project.

There must be some responsibility for the loss of this money. As I said, the Treasury and senior Government officials who handled the project will have to bear the blame for the loss. The Chief Executive of the ICDC refused to sign the supply contract for Phase I on realising that Phase II was not catered for. The senior Treasury officials, however, pressurised him to sign the said contract. I may add here, if you look at the Report, unfortunately, the person who was then responsible, the Minister for Finance, has to bear a lot of blame in the loss of this money. All these details are clearly documented in the Report, but let me state here that this project is a clear indication of the manner in which public funds have been mismanaged by some individuals in the parastatals and the Government.

Mr. Temporary Deputy Speaker, Sir, I now wish to turn to the harmonisation of enabling Acts and the State Corporations Act (Cap.466). In the course of the Committee's deliberations, the issue of some corporations being exempted from the State Corporations Act and The Exchequer and Audit Act was viewed with great concern. The Committee noted that several State Corporations are hiding under cloak of such exemptions to avoid submitting audited accounts to Parliament. This, obviously, contradicts the provisions of the Constitution which are categorically clear that the public expenditure must be subjected to parliamentary approval. This can also be found in the Audit and Exchequer Act, which clearly states that public funds must be subjected to parliamentary approval.

Mr. Temporary Deputy Speaker, Sir, on delayed submission of accounts, we have some State Corporations which have deliberately delayed or sometimes refused to submit their accounts to the Auditor-General (Corporations) for auditing. I believe the reason why they do so is because they have found a way of misappropriating public funds so that by the time the accounts are submitted to the Auditor-General (Corporations), majority or some of those officers are no longer working within the State Corporations.

Most of those accounts relate to the years 1989/90, 1990/91, 1991/92, 1992/93 and 1993/94. Very few were for the year 1994/95. So, if you examine the accounts of our State Corporations, 17 years later, it will be very difficult to find enough evidence on how money was misappropriated. Some of the State Corporations which are guilty of submitting their accounts late were the National Social Security Fund, the National Oil Corporation of Kenya, Coast Development Fund, Jomo Kenyatta University of Agriculture and Technology, and of course, The

Kenya Posts and Telecommunications Corporation. These corporations have been deliberately delaying the submission of their accounts to the Auditor-General (Corporations) for auditing. There must be a reason why they have been doing so.

The privatisation programme of State Corporations is a current issue. The Committee was of the opinion that the programme was being done haphazardly as evidenced by the sale of the Milling Corporation of Kenya. For one, the body charged with implementing the programme, that is, the Executive Secretariat and Technical Unit (ESTU) lacks a legal basis. It is a body which was established but it has no legal basis. It is just a department within the Ministry of Finance and it is the one which is charged with this enormous task of privatisation. When they mess up, nobody cares to find out why this is done. This is an extremely serious omission which should be rectified immediately. Secondly, the Committee reiterates strongly that the privatisation enabling Act be enacted by this House to ensure that state corporations are disposed off in a transparent manner. We do not want underhand dealings in the disposal of public corporations. Shaddy deals are the order of the day. The Committee also urges the ESTU to always submit regular public reports on the status of privatisation. The ESTU must be defined clearly. The officials attached to it should be of proven integrity, efficiency and morality. Without high morals, we are doomed. That is why the public is concerned by the manner in which privatisation of State Corporations in this country is being done.

I wish, lastly, to touch on the question of implementation of the PIC Report. The Committee came to a very painful realisation that its work in investigating State Corporations is an exercise in futility. The Committee's recommendations on parastatals and Chief Executives who have been implicated in the scams are not taken seriously. In the Sixth Report, we made several recommendations touching on various corporations and various Chief Executives, but to-date nothing has been done. I remember when the Attorney-General appeared with the "Big Five" before the Committee and was asked why he had not taken any legal action against all the Chief Executives implicated in the Sixth Report, his answer was that he had written to the Commissioner of Police and had not received a reply. That has been going on for the period I have been a member of PIC. In 1994, the Attorney-General told us that he had written to the Commissioner of Police in respect of two particular cases and had not received a reply. In 1995 and 1996 he gave us the same story. Are we really serious with our work? The Attorney-General has constitutional duties to instruct the police and the Commissioner of Police to carry out investigations and bring the culprits to book. Telling us that he has written to the Commissioner of Police and has not received a reply will not help this country. If the Commissioner of Police is unable to prosecute, the Government must take action against him. He should say why he is not responding to the letters from the Attorney-General. He is there to serve the public and not his personal interests. With these few remarks, I wish to ask hon. Michuki to second.

Mr. Michuki: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to second this Motion.

This is a Motion which covers a subject that has been before this House for many years. There are two characteristics in this issue of public investments that are the main feature of the whole saga. That is that very elaborate reports are made here every year. For the period that I have been in this Parliament, that is from 1983 to 1988 and 1992 to last year and now I am here, the main feature is that the reports are made in a very elaborate manner. That is one feature. The other feature is that, the reports and recommendations remain unacted upon.

It is not very hard to find why this situation exists and in particular, the very fact that public investments, it would appear, are not regarded by the Government as public funds. They are not regarded by the Government as public funds, in the same way as money coming directly to Ministries that are responsible for these public investments, would attract some kind of safeguard. Indeed, these public investments are not different from the monies that accrue in the Treasury from taxation. This is because it is a part of that taxation that is invested whether it is in ICDC, Kenya Posts and Telecommunications Corporation or the National Cereals and Produce Board. It is the taxpayers' money and from that point of view, it places a very serious and heavy responsibility on the part of the Government, to ensure that the money is properly used and in addition, accounted for.

Mr. Temporary Deputy Speaker, Sir, before I proceed to make my other point, for the benefit of this House and the Press, I would like to say that, the Motion that, I was supposed to move this morning on the illicit drinks that have killed our people in various parts of the country, was only converted yesterday from a personal Motion to a party Motion as the Speaker will note. This follows my writing to the Speaker before and I was notified of this decision yesterday afternoon. I was consequently not advised that the Motion would be on the Order Paper this morning. I would like, therefore, to assure this House that those who are interested in this Motion because I know there is a great deal of interest, that the Motion was deferred to another Wednesday. So, the Motion is still on the Order Paper and I hope I will be able to move it as and when it comes on the Order Paper in the normal way. So, let nobody speculate about anything because it is my motion. It is now a property of this

House and I have that obligation to move it. I am making these remarks with the authority of the Speaker. So, if any question arises, it should be raised with the Speaker and not with me.

The Assistant Minister for Information and Broadcasting (Mr. Ekirapa): On a point of order, Mr. Temporary Deputy Speaker, Sir. I believe what hon. Michuki has been saying---

The Temporary Deputy Speaker (Mr. Musila): Mr. Ekirapa, I believe it is not about what hon. Michuki has been saying. So, unless you have got another point of order, I will ask hon. Michuki to proceed now. That has been sufficiently covered.

Hon. Michuki, proceed and second the Motion.

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, I am quite sure that we learn as we move along and my friend here, the "King of the Press," will eventually learn as we move along.

Mr. Temporary Deputy Speaker, Sir, I was on the issue of the importance---

The Assistant Minister for Information and Broadcasting (Mr. Ekirapa): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member for Kangema in order to be irrelevant and to allege that I am the "King of the Press?"

The Temporary Deputy Speaker (Mr. Musila): I did not get your point of order because I did mention that I have been briefed about what hon. Michuki has said and I said that we should now move on from that subject to seconding the Motion. That is why I called on hon. Michuki to second the Motion.

Mr. Michuki: Thank you, Mr. Temporary Deputy Speaker, Sir. I was stressing the difference between the public investments and monies from taxation and the obligation the Government and those responsible have to the public, to safeguard those monies but I was also making the point that these characteristics of public investments appear to have been ignored all these years.

Mr. Temporary Deputy Speaker, Sir, when public investments involving contracts vary from Kshs700 million to over Kshs2. billion, then surely, there must be something wrong because it is not usual. It cannot be the case that an estimate could escalate by such high percentages as it has happened in the case that we have been told about of the National Social Security Fund building. Therefore, whatever the Government might say, even within those arithmetical variations, even a primary school kid will see that there is something highly irregular and this irregularity is what we are calling theft. Stories abound in this town as to how that contract was manipulated.

Mr. Temporary Deputy Speaker, Sir, other loses have been mentioned here, where projects consuming hundreds of millions of shillings have been abandoned after that money has been spent. It is exactly the same case as we learned in Mombasa, where within the Government itself, 1226 projects were started and were never concluded, although I have no figure of how much money was spent before the abandonment. So, there has been some carelessness. Really, there has been no sense of responsibility in taking care of public funds and it is no wonder, therefore, that our economy is in the shape that it is in today. The shape of the economy is that, all the revenues in our country are consumed even before they are received so that whatever is coming in by way of taxes, is actually plugging holes which are unfillable.

Mr. Temporary Deputy Speaker, Sir, I am amused to actually regard this scenario like what the farmers in our home area are doing, because of their poverty. They actually pledge their tea which they have not picked, to financial institutions and get money in advance, awaiting the picking of tea. This is exactly what has happened in this country, where monies have been pledged, because they will come through the Treasury Bills. If you look at it, the revenue estimated is exactly the same as what we have eaten before the revenue came in. So, how do you proceed from there, other than resulting to gymnastics which will not erase the cracks within that financial system.

Mr. Temporary Deputy Speaker, Sir, I am proposing that the privatisation of all public investments should be carried out as soon as possible, so that those in Government can concentrate on what they claim to know better, that is, politics and running the Government. This is because they have dismally failed to carry out the so-called businesses within parastatals. When I was at the Kenya Commercial Bank, the Kenya Posts and Telecommunications Corporation (KPTC), for which I was the banker, had the highest balances. All parastatals were banking with the Kenya Commercial Bank, as a matter of policy. The KPTC had the highest balances after paying everything, including salaries, loans and whatever developments they wanted to do. At that time, they would have an upward of Kshs200 million in reserve. I am sure every Member in this House knows how the situation is in a company that is monopolistic; a company where even to get a telephone repaired it will take you months. Even to get a new telephone, it would probably take you years. A company which is refusing business that is available. It is really ridiculous and contrary to business principles to refuse business, sometimes out of arrogance and occasionally, because those institutions are regarded by those who run them as their personal property, where monies can be taken in suitcases to wherever they decide.

Mr. Temporary Deputy Speaker, Sir, what we are saying is that the KANU Government should dis-invest from public investments. In any case, it is not the business of the government to continue trading, competing with its own citizens. Let the Government do what it is supposed to do - to protect lives and property of people; not robbing them of their property like it is happening. Members of the public have been robbed of plots and they are given to the politically correct people, who then pay the commissioner of lands the usual stamp premium--- We have cases which have been quoted in this Motion--- And then, the following day, they sell them for millions of shillings. It is as if this House has been asked to vote Kshs37 million to somebody and give it to him. So, public assets continue to disappear. We do not even know what our children will inherit in these urban areas in the future. If our fore-fathers had not left something, what would have enriched these billionaires who never had to sweat for their money? I know somebody, and I won't quote him, who, ten years ago, put Kshs60 million into an account and forgot about it upto now. He has never renewed it. I will not mention him, but I am giving an example of what I know.

An hon. Member: Who is he?

Mr. Michuki: You are interested in knowing, but what are you going to do after you know? You have been unable to correct these mistakes here, in the Public Accounts Committee---

Mr. Obwocha: On a point of order, Mr. Temporary Deputy Speaker, Sir. Our Standing Orders are very clear. A Member who makes a statement in this House is responsible for its accuracy. Hon. Michuki has said he knows one person who put Kshs60 million in an account and the money is still there, but he does not even know whether it is still there and he has not collected it, because I think the man is very rich. Could he substantiate?

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, I am responsible for that statement. I am not denying that I am responsible for it. What I am saying is this; it is within my knowledge that there is such a case and that does not invalidate that statement. I do not have to mention anybody because if I do, it is out of my own choice, but I know I will own up to what I have said.

An hon. Member: But that is a lie. That is not sufficient!

Mr. Michuki: I would have been called upon, if I had mentioned somebody's name in relation to that money, to substantiate. I Prefer not to mention the name, but I know there is that Kshs60 million. I stand by my statement because I am also aware that, if I come here and mention such a thing, it is because I know it is there, but I do not want to embarrass anybody. How many people have been mentioned in the Report we are discussing here and nothing has been done? Why do you insist on substantiation? For action or just for you to know? The need to know of any particular issue requires that you know in order to take action. So, I do not think this House, I am sorry to say, is prepared to take action, because if it was to do so, the reports of the PAC and PIC would have been acted upon.

Mr. Mwenje: On a point of order, Mr. Temporary Deputy Speaker, Sir. Since the hon. Member does not want to mention the name of that person, could he mention the account number and the bank in which that money is held?

Mr. Michuki: Mr. Temporary Deputy Speaker, Sir, the implications of what hon. Mwenje is saying have already been stated on the Floor of this House although not officially. I do not want peoples' houses to be broken into and banks to be robbed because the account of so and so has Kshs60 million uncollected, or people to be way-laid upon on their way home. There was a similar incident the other day when we had gone to arrange a funeral at the All Saints Cathedral. A person came and pretended that he knew the children of the deceased. Later on, the children were then brought and we discovered that the person did not know them. We investigated even further and found that the whole idea was that one of those children was to go and show this person the home of the deceased where the money was to be kept in the evening. This person would then collect other people to go and rob the House when people were mourning. So, the suggestion is good, but I do not think that it is a thing that we can pursue.

Mr. Temporary Deputy Speaker, Sir, if I were to go on in seconding this Motion, my proposition, which is my final point, is that the Government should move as quickly as possible to sell off all the investments which are outside the mandated field of operations of a Government. A Government, whether it is by KANU or by the Opposition, is not meant to trade. In any case, it should not be the duty of the Government to compete with its citizens. Some of us are investors and know the problems we have faced in nurturing those investments. There are many hindrances that are placed in our way, not because that a particular project is not beneficial to this country and the promoter, but purely out of jealousy.

Finally, whatever investment is done in this country by anybody, provided that it is within the law, should be appreciated as a contribution towards capital formation. It is in the interests of the growth of the economy. That economic growth yields taxes which are in turn used to finance public services. So, investments should be

looked at only from that angle. We should also realise that if our own investments are managed as this Report shows, foreign investors will feel that they should not recruit their staff from among Kenyans because all Kenyans are dishonest. We must learn how to restore the confidence in ourselves. We must learn how to treat our own investors before looking for investors from elsewhere. In any case, if you do not treat your investors properly, no investor from overseas will come to invest here. This is because the first person they will meet is one who is already involved in investment. I, as an investor, have an obligation to tell anyone the way business is treated in this country. If it is properly treated, I will say so and give examples. If it is badly treated, I will have an obligation to disassociate myself from covering up the situation on the ground. So, the best way is actually to do business in an open and transparent manner. In tourism, in which I happen to be involved, it is right that we do publicity by making sure that the infrastructure is good and there is clean water. Indeed, the European Union is considering insisting that if their people go for tourism in a particular country, that country buys water, which they know about from Europe. The European Union is sure that water in Europe is fit for human consumption. Our water can no longer be relied upon. Similarly, there is a problem with our telephones. When we try to communicate we have to dial many times before we go through. European investors are used to just pressing a button while in Europe and then talk about their own businesses in America and elsewhere in the world. For example, the money market, which is developing here, requires very quick action. But how shall we communicate when doing business in this market? If you have to attempt to dial a number five times, how will you trade in foreign exchange in Singapore or Frankfurt?

All these recent technologies must be regarded as something to serve people. We can now communicate using mobile telephone, although it is expensive here mainly because of corruption. An item here which costs more than Kshs100,000 costs Kshs50,000 in Tanzania, who privatised their posts and telecommunications systems four years ago. Privatisation of our telecommunication system and it will become cheaper. We will have problems in privatisation of Kenya Posts and Telecommunications Corporations. Even after privatisation equipment will be very expensive because of corruption. The South Africans, who are supposed to invest here, have already expressed their reservations. This is because they have to see so and so, instead of being allowed to go directly to see the Managing Director of Kenya Post and Telecommunications Corporation. I fear that they will be forced to produce *kitu kidogo*, which will be paid for by the users of services here. So, the services will be more expensive. I am saying that the Government should, at least before the privatisation, correct these matters.

A few projects were mentioned here as having lost more than Kshs1.5 billions, and yet we are saying that we have no money for teachers. The money was spent on a non-existent project.

Mr. Temporary Deputy Speaker, Sir, I beg to support.

(Question proposed)

Mr. Shidie: Mr. Temporary Deputy Speaker, Sir, I am very sorry because I was supposed to second this Motion. Nonetheless, I am happy that you have given me this opportunity to contribute to this Motion.

I have been a Member of the PIC for four years running. All that I have realised while serving as a Member of the PIC is that our economy has been mismanaged, particularly by the Chief Executives of parastatals. Mismanagement never forgives. It is like a donkey: If you overload it, it surges forward and collapses. It is also similar to milking a cow. When you milk it dry, blood will come out and eventually the cow will die. So, mismanagement, at any given level - be it in private or public business - does not forgive.

Mr. Temporary Deputy Speaker, Sir, the Report of the Controller and Auditor-General has become a poem, unfortunately: Money has been "eaten"; corruption; outright looting; bribery, thuggery; name it! It is really disheartening that we, as a young nation, are dismembering our country. We are 35 years old as an Independent State. I am afraid, after 60 years, we will have no country at all. You would think that every parastatal head is directed by his family to loot the corporation. If he does not loot it, it is assumed that he has not done his job well. This is something that really shocks.

For the four years I was in the Public Investments Committee (PIC), the story had been the same. A chief executive appeared before the committee and you soon realised that he was a thug; another one comes in, he was another thug; yet another one appears before the Committee and the story was sadly the same! Kenya had a very vibrant economy. But today what we have is a cracking economy and we are broke. It is really shocking. We are behaving as if this country is on transit; we are behaving as if the country does not belong to us; that Kenya does not belong to Kenyans but to another group of people we do not know. We must, at one point in time ask ourselves: Where did the rain start beating us? Where did we go wrong?

Mr. Temporary Deputy Speaker, Sir, Parliament as it is, has also become toothless. The PIC and the PAC operate like a court: We have Members of Parliament on these committees who are like a jury; the

Auditor-General in charge of Corporations may be the judge or the prosecutor; and, the accused are the chief executives who appear before the committee. We have made recommendations but they were not implemented. Every season when we make recommendations--- We have even recommended that some people be surcharged. We said in our recommendations that others are irresponsible, dishonest and, therefore, should not hold any public office. Yet today, the same people occupy these offices! This tells you that Parliament is no longer supreme. We have recommended to Kenyans that these people should not occupy any public office because they are irresponsible and, responsible for the outright looting that has taken place including all sorts of bad things while in office. These people are behaving like paratroopers who go away with Kenyans' hard-earned money.

Mr. Temporary Deputy Speaker, Sir, the time when the Government used to be big is long gone. We should ask ourselves: What does Nyayo Tea Zone have to do in competing with a small tea farmer in Nyamira or Kericho? What business does it really have? We cannot have those organisations if we really want to manage our business. A government is supposed to be small. It should first and foremost look into three things: One, security; two, management of the economy, and, three, foreign affairs. Once we have a small government, we allow free enterprise.

Mr. Temporary Deputy Speaker, Sir, in the world of free enterprise, there are no gate-keepers. If I want to see you for example, and there are many gate-keepers, it will be difficult for me to reach you. With many parastatals and many big government officials, there will be many gate-keepers. The fewer the resources, the more the gate-keepers. It becomes worse; I cannot reach you there because, for me to reach you there, I must bribe my way through and this becomes very difficult. That is why our economy has been mismanaged by these parastatal chiefs. I will give the National Social Security Fund as an example. You see, the NSSF building---

Mr. Too: On a point of order, Mr. Temporary Deputy Speaker, Sir. There is no quorum.

The Temporary Deputy Speaker (Mr. Musila): There is no quorum? How many are we? Can someone count the Members in the House?

An hon. Member: We are 30!

The Temporary Deputy Speaker (Mr. Musila): Mr. Too, I think you are out of order. We have a quorum. Continue, Mr. Shidie!

Mr. Shidie: Mr. Temporary Deputy Speaker, Sir, the heroes of this country today are the people who have looted our economy! We must say the truth. Unless we say the truth, there will be not justice. Justice is the midwife of peace. Where there is no justice there can never be peace. I was giving the case of the NSSF building as a glaring example of corruption by some of our public managers. The building cost a staggering Kshs3 billion. The initial estimated cost was less than Kshs500 million. What does this tell you? That somebody somewhere made cool money out of the project. There was what they called acceleration fees during the construction of the NSSF building. A contractor pledged to complete the project after one-and-a-half- years but, because the NSSF wanted it done quickly, they offered the contractor an acceleration fee of Kshs112 million so that he could complete the job in less than a year. The contractor pocketed the money but nothing like acceleration took place. Two years later, the project had not been completed. So, why did the NSSF have to pay an acceleration fee?

Mr. Temporary Deputy Speaker, we have seen cases where a valueless land in the name of a quarry was being bought at a staggering figure of Kshs1 million. We did come across such cases and wondered what the real value of such land was. We called the Commissioner of Lands and the Permanent Secretary in the Ministry of Lands and Settlement and asked them to help us get the value of NSSF property throughout the country. Believe me, we followed this up for almost a year without getting anything. Even up to now, we have not got the value of the property. You call the PS in the Ministry of Lands and Settlement and he tells you: "NSSF does not fall under my Ministry; it falls under the Ministry of Labour". But at the end of the day, who has land valuers? Who has the Commissioner of Lands? It is the Ministry of Lands and Settlement. So, we took a detour and asked the PS in the Ministry of Labour to get the value of the property of the NSSF. He contacted his counterpart in the Ministry of Lands and Settlement and the stories continued. We summoned both Permanent Secretaries but, finally, they told us that they did not have funds to meet the costs of the valuation exercise. If you have the officers and the vehicle to take them round, valuation is a small exercise. By the end of the session, it became very difficult for us to get the value of NSSF land.

You get yourself a piece of Government land and sell it to the NSSF. Incidentally, most of the land the NSSF was buying was Government property. You see, it was a case of the Government buying its own property. You ask yourself: What business are we in? Are we in monkey business? You know, when you are in charge of an institution like the National Social Security Fund, you should realise that it belongs to the poor people in society. When you start "eating" the money of the poor, a man who contributes Kshs80 into the fund--- These constitute watchmen, casual labourers; those people who earn the least. Members have seen most of them hanging around

because they could not get their dues from the NSSF. They come to see their respective Members of Parliament to complain that they have not received their retirement benefits. They spend many days here in Nairobi. The little money they collect from the village ends up in lodging houses. Related Questions have been brought into this House. But when there are "paratroopers" there who want to loot the economy, it will be very difficult.

Mr. Temporary Deputy Speaker, Sir, unless we say the truth, we will get nowhere. There are people who have made money through the parastatals who will be coming into this Parliament to protect their property. In the last Parliament, the KANU side was full. After the general elections, 80 per cent lost to newcomers who made money while in public offices. They were Provincial Commissioners, parastatal chiefs, managing directors who looted public money and gave it to the poor villagers during the campaign period and made their way back to Parliament. The "paratroopers" who looted the economy are now here to protect their property. The looters are in this House to protect

their ill-gotten money and we must say the truth. Unless we say the truth, there can never be justice. Democracy in this country is almost becoming a meaningless venture because those people who have looted the economy and stolen taxpayers' money are the ones talking about democracy louder than everybody else. Which democracy are we talking about? There is no democracy! Very soon, both sides of the House will be occupied by the "paratroopers" I was talking about. Even those who have just made their contributions a few minutes ago are billionaires. How did they get their money? Are we in business? We are not. We are in the business of thuggery! Once we are in the business of thuggery, we shall reach nowhere.

Mr. Shabaan: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that all hon. Members on the KANU side are here because they looted the economy? Some of us have been very honest and made it to this House because of being upright people in the society. Some of us have not stolen anything from this economy. Is he in order to malign all hon. Members on this side of the House?

Mr. Shidie: Mr. Temporary Deputy Speaker, Sir, I did not say that he was a "paratrooper". I gave an example and if that example does not fit his description, he should not worry. He should cool down and let me make my contribution.

Mr. Temporary Deputy Speaker, Sir, the other issue which I would like to comment on is implementation. When it is clearly revealed that a certain amount of money has been misappropriated and that the concerned Managing Director should be surcharged, normally, there is a write-up by the Treasury explaining what should be done. The deliberations of the Public Investments Committee (PIC) climax on the meeting of the "Big Five" who are composed of the Head of the Public Service, the Attorney-General, the Permanent Secretary, Treasury, the Permanent Secretary, Department of Personnel Management and the Permanent Secretary in charge of Parastatals. I remember the Committee telling the former Head of the Public Service, Prof. Mbithi, in no uncertain terms that whatever recommendations the Committee came up with are never implemented. So, What is the need for the Committee to make recommendations that are never implemented? In that regard, Parliament is reduced to a toothless bulldog. We want Parliament to be taken seriously. We are like a jury. When we make recommendations, it is important that such recommendations are implemented. If they are not implemented, then that means Parliament has been slighted and it loses its status of being a supreme organ in the country; and that those people do not fear Parliament and that is why they continue to do what they want.

Mr. Temporary Deputy Speaker, Sir, I also wish to comment on the issue of privatisation. It is very unfortunate that the privatisation programme in this country leaves a lot to be desired. We find that the Executive Secretariat and Technical Unit Parastatal Reform Programme are in charge of the privatisation programme. In this programme, we realised that when they tendered for a parastatal like the Milling Corporation of Kenya - the rule is the highest bidder wins the tender - but in this case, the lowest bidder was awarded the tender. So, we have to look deeper into this issue. In fact, the issue of privatisation should be brought to this House so that we can discuss it and set the rules that will govern the privatisation programme. Otherwise, the privatisation programmes will also be outright looting of the State money. When we award tenders to the lowest bidders when we are selling our Corporations, then the taxpayer is losing. In fact, some of the people who are selling these Corporations are the ones who are buying them. They buy them at lower prices and sell to somebody else. At the end of the day, the economy will be in the hands of foreigners like Asians and Europeans. Since these Corporations are a source of employment for most Kenyans, our people will lose. That is why the privatisation programme needs to be looked into. I know very well that at the end of the day, public Corporations will not pay.

They have been nose-diving, they have never performed and that is why I said that in free enterprise, there can never be gate-keepers. Once we have free enterprise business will be very good. However, a parastatal belongs to everybody and at the same time, it belongs to nobody. There are no business ethics that govern it. At the end of the day, the manager there earns his salary and at the end of his term, he takes some money home irrespective of the methods he used to get that money. So, he is not really interested in ensuring that the parastatal remains

viable economically. There are people who kept him their and he has to look after their interests.

Mr. Temporary Deputy Speaker, Sir, the other issue is the delay in the submission of Accounts. We have been dealing with a backlog of accounts, for instance, those of the Teachers' Service Commission, the Kenya Ports Authority, the Kenya Post and Telecommunications Corporation. All these parastatals do not bring their reports in time. They do not bring their reports as required by law.

Finally, I would like to say that there are many dormant projects in this country which need to be looked into. There are many housing projects like the Kenya Pipeline Housing project, which up to this day has not taken off. Kshs46 million has been pumped into that project and yet it has not taken off. This is how taxpayers lose their money. The Kenya Railways Corporation has been spending a lot of money without approval and that also goes for the National Oil Corporation, the National Social Security Fund and many others.

With those few remarks, I beg to support.

Mr. Ndubai: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make my contribution.

When we talk about the PIC, we must know the kind of investment we are talking about. This is the investment where the public should benefit and that will have a direct effect of improving the economy of this country. As one Member clearly said, the Government must not be seen as an investor. There is no Government in the whole universe that engages in trading except during the Cold War period when China and Russia were competing with their citizens. However, in the modern world, the Government must steer clear of any investment. The Government should just play the role of a facilitator. It should be the schemer of the project. But when a Government engages in daily trading with citizens, then that Government has no business at all to be called a Government. As I said last week in this House, the paramount duty of any Government of the day is security. The Government must protect the people and their property; that is its primary duty. If it cannot do that then it has failed. The basic interpretation of our Constitution is a contract between the citizens of Kenya and the Kenyan Government. That is the simplest way of defining the constitution. The Government must perform its duty and the citizens must also do their part. I believe that the Kenyan citizens carry out their duties properly. They perform their part of that contract by obeying the law and paying taxes. It is for the Government to protect them and their property. But when the Government becomes involved in direct trading, then we start questioning whether it is really serious about playing its role and performing the terms of the contract. I say with a big "No" that the Kenyan Government has not performed its duty to the expectation of that contract. The reason why I am saying that is that in the recent past, the Government has involved itself in direct trading. Instead of being seen as a facilitator, it is being seen as a competitor to the citizens. The Government must do away with all those projects and investments which it cannot run. It must be able to sell those investments to the citizens of this country. It is only by doing that, that the Government will have a bigger role to play in improving security.

We have been talking in this House of Kenya becoming an industrialised country by the year 2020. For a country to become industrialised, it must have a very able economical base. You cannot talk of becoming an industrialised country when you are unable to feed your citizens. The back-bone of our economy is agriculture. But today Kenya carries a big bowl begging in every part of the world and when we come back here we talk of our economy being based on Agriculture. If we cannot even manage the agricultural sector which is the back-bone of our economy, then I wonder how we can talk of this country being industrialised by the year 2020. Hon. Nyagah, who was the former Minister for Agriculture promised this country almost 20 years ago that by the year 2000---

QUORUM

Mr. Kitur: On a point of order, Mr. Temporary Deputy Speaker, Sir. There is no quorum.

The Temporary Deputy Speaker (Mr. Musila): Yes, indeed there is no quorum. Can we have the division bell rung?

(The Division Bell was rung)

Order! We have a quorum now. Proceed, Mr. Ndubai.

Mr. Ndubai: I was saying that when the economy becomes bad, it affects everybody. This is the behaviour of people who have economical problems. The Members of Parliament must bear with those who disorganised the economy. This House was made to believe 20 years ago that by the year 2020 every Kenyan would have access to clean water. That promise was made by the then Minister for Water Resources, Mr. Nyagah. Now a similar promise is being made to us again. Kenyans have been promised that the country will be industrialised by the year 2020. That is a very big sham. Even if you ask the Minister for Planning and National

Development, Prof. Saitoti, he cannot give this House a clue as to how this country will be industrialised by that year. Taking into account the way in which our economy is going, if I could quote the former president of USA, Mr. Abraham Lincoln, when asked what he had done for the country, he said; "The only thing I have done is that I have been walking forward and never backwards." Our leaders are no longer walking forward; we are always walking backwards. We have reached a stage where any player in this field tries to score even in his own goal whenever he gets a chance. They do not even know where the proper goal is. The only way to correct this situation is to be very serious with the economy. We should give those versed in economics an opportunity to run our country. It does not matter whether they are only from the Kikuyu, Kalenjin or Luo communities as long as they are Kenyans. If they are able to run the economy then they should be allowed to do so, regardless of their tribe.

Mr. Temporary Deputy Speaker, Sir, if we continue running the economy on tribal and political basis, we will very soon find that we are sitting on a very explosive bomb and it will explode on all of us.

Mr. Temporary Deputy Speaker, Sir, nobody can control an empty stomach. The citizens of this country may try to obey the law, but I can assure you that, an empty stomach has no law at all. Unless the Government realises that the people have reached a stage where they might turn to the streets and disobey the law--- We have paid the taxes to the maximum. Kenya has been ranked as one of the countries which is heavily taxed and the people pay a lot of money in the form of taxes, but where the money goes, nobody, not even the Frontbenchers here or even the Minister for Finance can tell us. As I have said many times, we do not come here for name-calling or finger-pointing. We come to talk about the country and to make possible corrections. So, what I am sincerely asking the Government, as one of the investors in this country, is that it should realise that time has come when the economy or the country must be run efficiently. The people who are able to run the economy should be given a chance to run it. Time has come when we should not come here to criticize the Government. We do not come here to make the Government fail. We come here to correct the Government and the economy. We come here to say that "Mr. A, B, C and D is mismanaging this economy." That is our priority and that is the supremacy of this House and, that is what it should do. Once this House has done that, the Government should implement what we suggest. But as long as we continue talking here, and there is no implementation unit to implement what this House wants, then our economy will continue to have problems.

Mr. Temporary Deputy Speaker, Sir, yesterday, I said in this House that people have been saying that the economy is in the Intensive Care Unit. The economy is in a very bad shape. When the economy is in that bad shape, the problem is extended to the citizens and, therefore, the Government must feel the problem as the citizen do. The individual citizen will feel the hurt more than the Government. So, it is a collective responsibility of everybody in this country regardless of his or her political affiliation to think seriously about how we can bring this economy back on track.

Mr. Temporary Deputy Speaker, Sir, every individual should think seriously about how we can bring this economy back to the proper track. The problems in this country did not come last year, they have been piling up for very many years and we have reached a stage where we cannot contain the situation. We have to look for an escape route which is to control our investment policy and to streamline the Ministries which are wasteful and also to appoint managers who can manage the economy properly because, I believe we have such people. We do not need to import managers to manage the banks nor the Government and parastatal bodies.

Mr. Temporary Deputy Speaker, Sir, we have all the personnel but the problem we have is that, a doctor of philosophy is appointed a director of the Central Bank of Kenya. A doctor of Geography is appointed to Kenya Commercial Bank and an agriculturalist is appointed to an irrelevant institution. That is what we are saying. This correction must be done because we have reached a stage where a shepherd asks the sheep where they are going to graze. Tumefikia kiwango ambacho mchungaji anauliza kondoo, "tutakula wapi leo---" We have reached that stage and we are in a problem. As I have said, the best way to get an escape route from that problem is to take collective responsibility in the sense that nobody should assume that this economy does not only belong to the President nor the KANU Government, it belongs to each one of us. But the only duty we have is to talk. I cannot implement. I can only talk. If I was given an opportunity to implement, I can assure you, in the next six months, I would turn round this country. I will hang 1,000 people who are strangling the economy; I will hang them here in City Hall. If we have to hang 1,000 of them to save the economy, I will not spare any of them, to put this economy back on the proper track. But I believe that the question is not killing, it is to eliminate any bad element which is destroying our economy.

Mr. Temporary Deputy Speaker, Sir, today I saw a cartoon in *The Kenya Times* about the late President of Nigeria, Gen. Sani Abacha. He was being welcomed in Heaven where he was told: "General, welcome here, I am still a writer." He was welcomed by Ken Saro-Wiwa whom he killed a few months ago. He told him, "I am still writing here, but I have nothing to write about you." More than that, there is no army here." So, our African

leaders should realise that whatever they do to this country, whatever they do to this continent, they will be answerable, because I believe that the economy of this continent is very strong. I believe that Kenya has 56 per cent of its natural resources which has never been tapped.

Mr. Kariuki: On a point of order, Mr. Temporary Deputy Speaker, Sir. What is the insinuation that the hon. Member is making about Abacha? What are the implications he has in mind? Could he, please, expound or substantiate his remarks?

An hon. Member: That is not a point of order!

Mr. Ndubai: Thank you, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Musila): Do not respond to that. It is not a point of order.

Mr. Ndubai: No, I am not responding. I will simply say that I was referring to one of the strongmen of Africa who died and when he went to Heaven, the reception there was very nasty.

An hon. Member: He went to Hell! He never went to Heaven!

Mr. Ndubai: Mr. Temporary Deputy Speaker, Sir, what I am trying to say is that 56 per cent of the natural resources in this country have not been tapped and it is the duty of the Government to try to remove the economy from agriculture where we have failed totally, to a more manageable and more profitable natural resource sector. When I talk of natural resources, I believe we have commercial natural gas and petroleum. This is because the reef we have here which produces petroleum is the same reef which extends to the Middle East. When we talk of gemstones, the entire Tsavo National Park--- The hon. Member from the area is here to bear me witness. I think that, one of his farms is a big graveyard of the gemstones. So, the Government must look for ways to carry out the mining and appoint a Minister who is capable and who knows the geological background and the mining process, and not to appoint the Minister just to fill the Ministry.

Mr. Temporary Deputy Speaker, Sir, when we got our Independence, our economy was based on a co-operative movement and for this country to survive, we must go back to the co-operators and revive the coffee industry, tea industry and the cotton industry. All these three which, in the early 1970s, were the major earners of foreign currency, have totally collapsed. So, it is the duty of the Government to make sure that those areas of co-operation are reactivated again and the farmers are given an incentive to start farming properly again so that they can revive our economy. As I said, the people we call second class citizens are the ones who make the economy grow. The farmers I am talking about are the people who can improve this economy. At the moment, they have been "killed". This is when banks started buying Treasury Bills from the Central Bank and stopped giving them soft loans. Banks stopped lending them money because they were busy buying Treasury Bills which earn them 27 per cent interest.

Mr. Temporary Deputy Speaker, Sir, the Government must become serious and make sure that small businessmen are assisted. All the money the Government is collecting from the sale of parastatals should be given to small scale businessmen and farmers in form of loans with a grace period of six months and payable within five to six years. This will enable small scale businessmen to bounce back. At the moment, because of lack of finance, all the small industries have collapsed. If the Government is serious about revamping the economy, it must consider these people.

Mr. Temporary Deputy Speaker, Sir, privatization will create employment opportunities for Kenyans. For example, if Kenya Posts and Telecommunications Corporation is sold, the private investor will make sure that employment is doubled, because they will make available more telephone lines to the people. As Mr. Michuki said, today, if you applied for a telephone line, it will take you six months to get connected, even after paying a deposit of about Kshs7,000. I am sure there is no user who does not pay a minimum of Kshs2,000 a month and yet, it has become almost impossible to get this service. The same applies to Kenya Power and Lighting Company. If you want to open an industry, you will be asked to pay Kshs80,000 for a transformer, and then be put on the waiting list for consideration in the next two years. The Government must be serious on encouraging local investment.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Obwocha: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this Report. I would first of all like to correct the Member who has just sat down. He said that the late Abacha went to heaven and met Gen. Gowon, but Gen. Gowon, who was President of Nigeria, is alive. I think, most likely, Abacha went to hell. There is no way he could have gone to meet Ken Saro Wiwa who is in heaven.

Mr. Shidie: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead the House? He is not God, and has not been to heaven to tell us that Ken Saro Wiwa is there and Abacha in hell.

The Temporary Deputy Speaker (Mr. Musila): I think I heard the Member say that he is likely to be

there. He did not say that he is in heaven.

Mr. Obwocha: Mr. Temporary Deputy Speaker, Sir, that is true. The sins he committed in this world are so many that the safest place for him to be is where there is very hot fire in hell.

Mr. Temporary Deputy Speaker, Sir, I would like to start my contribution by saying the following: I think, we have mismanaged the economy. The mover and the seconder of this Motion, alongside hon. Shidiye have done a good job in outlining certain important areas in this Report. We need to do something about the state of the economy. Recently, we had two economic symposiums, one in Mombasa and another one in Mbagathi. At Mbagathi, when I looked at one economist's presentation, he said that we are using our current revenue at 39 per cent to pay salaries and wages whereas 24 per cent is being used to pay interest on domestic and foreign debts. Thirty seven per cent is on capital and 10 per cent is left for operations and maintenance. In a well run economy, we should try and preserve what we have been able to acquire over the years in way of capital. We have to maintain the roads and buildings that we have been able to build, so that they can last longer.

Mr. Temporary Deputy Speaker, Sir, I would have expected the 39 per cent to be for operations and maintenance. In this case, it is the reverse. As Members of Parliament, we need to come together and discuss some ways forward on how we can help this economy. I would propose that this House sets up a select committee to try and look at the current economy and see how we can get it on its feet. Those who know a bit of accounting, know that our revenue is basically from income tax, VAT, customs duty and miscellaneous tax. The Government collects about Kshs10 billion a month against an expenditure of approximately Kshs13 billion. Which is basically, salaries, interest rates and a bit of operations and maintenance. Now, we cannot run an economy on that basis. We need to urgently do something about it. If you look at this Report, you will find that there is an item which has been appearing in it for many years. This is the non-payment of honoraria to the National Assembly staff, which is on page 14. It says:

"The Committee observed with great concern that the staff of the National Assembly, particularly those serving the Public Investment Committee, have not been paid their honoraria, although it was approved in 1993, and appropriate recommendations for its implementation made in the Fourth, Fifth and Sixth Reports which have been adopted by Parliament. The Committee was informed that the issue of the honoraria payment for the National Assembly Staff Servicing the Committee is being addressed by the Civil Servants Salaries Review Committee. However, the Committee deplores the manner in which the Clerk to the National Assembly, Mr. Masya, has consistently blocked the implementation of the resolution of the Committee on the Fourth, Fifth and Sixth Reports with impunity. Therefore, the Committee recommends that the Clerk of the National Assembly must implement the recommendations of the Committee in respect of payment of honoraria to the staff of the National Assembly."

Mr. Temporary Deputy Speaker, Sir, if our own staff can violate what this House has recommended then what business have we to tell other civil servants to honestly implement decisions passed here? This Report indicates that certain members of staff from the Treasury, for example, have been paid their honoraria. In fact, this is on page 15. It states:

"The Committee further noted that the reason given for non-payment of the said honoraria is because of the payment of special duty allowance of 20 per cent of an officer's monthly salary paid every month to the staff for doing Chamber duties. The Committee also observed that the honoraria to be paid to the staff is a lot more than the 20 per cent special duty allowance they are paid every month. The affected members of staff have not been paid the difference so that they can be in line with their counterparts at the Treasury and the Office of the Auditor-General (Corporations). No reasons had been given for the non-payment of the difference."

Instead of paying the affected staff the honoraria the Clerk of the National Assembly brought up a fake argument. He said that the affected staff get 20 per cent special duty allowance. But the honoraria paid to other members of staff who work for the Public Accounts Committee (PAC) and the Public Investments Committee (PIC) is higher than the 20 per cent special duty allowance they are paid every month. If he felt that the affected members of staff received the special duty allowance, then he should pay them the difference.

This House should recommend that we have a Parliamentary Service Commission, which will not be controlled by the Executive. The reason why we are not able to discipline our own Clerk of the National Assembly is because he is being controlled from elsewhere. We are urging the Clerk to the National Assembly to pay the officers of the National Assembly, who have worked for these Committees, their honoraria allowance. In fact, this is their money and it is not his money. He should pay them. If he can violate our own recommendation, then I do not know what we are doing here.

(Mr. Ongeru murmured something)

Although hon. Ongeru deals with children's diseases - he is an expert in paediatrics - I am sure he also knows some accounts. He should know there are provisions for the Kenya National Assembly in the printed estimates.

I want to touch on the National Hospital Insurance Fund (NHIF). I do not know what these Anti-Corruption Authority people are doing. The first place they should have invaded is the NHIF, whose offices are in the National Social Security Fund (NSSF) Building. The President appointed Mr. Mwau to head the Anti-Corruption Authority, but I think he went there and slept. You cannot get your NHIF cheque unless you part with some money to some officials of the NHIF.

I have a case of an hospital in Kericho District. Many of you who travel to their rural homes through the Nairobi-Kericho Road know that we have many accidents occurring along this road. This hospital and others in the country were removed from the NHIF schedule because of certain problems. The cases of these hospitals were taken to court but they were acquitted. The court ordered the NHIF to reinstate them in the scheme, but its Director is demanding to be paid some money before he registers these hospitals. I must declare my interest in this matter. When I had a serious road accident, it was in that hospital in Kericho where I was first attended before I was flown to Nairobi. If this kind of thing is happening within the Government and the Anti-Corruption Authority is just there doing nothing then I do not know what we are talking about in this House.

We ask the Minister of Health, who is not here, and his Assistant Minister, hon. Criticos, who has gone for tea, to investigate this particular case. Things are critical now and as a result, he must act fast to control the situation. This is an example an hon. Member of Parliament has given in this House. I have documentary evidence to that effect. It is not an allegation and we cannot tolerate that kind of corruption.

Right now we have a very competent Permanent Secretary in the Ministry of Health known as Mr. Sammy Mbova. I expect him to do a good job because wherever he has been--- Even when he appeared before the PAC, the man knew his stuff. When I was in Nakuru working for a parastatal, I used to teach part time at Egerton University. I used to put my students into four categories. If a student knew the stuff and how to present it, then I would give that student an "A" grade. But if he knew the stuff, but did not know how to present it, then he got a "B" grade.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Musila): Hon. Members, it is now time to interrupt the business of the day. The House stands adjourned until tomorrow, Thursday, 11th June, 1998, at 2.30 p.m.

The House rose at 6.30 p.m.