

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 17th October, 1996

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No 973

SUB-DIVISION OF KWANZA DIVISION

Mr. Busolo on behalf of **Mr. Kapten**, asked the Minister of State, office of the President:-

- (a) whether Kwanza Division of Trans Nzoia District has been sub-divided into two divisions;
- (b) if the answer to "a" above is in the affirmative, what the names of the two divisions are; and,
- (b) if he is aware that the District Commissioner, Trans Nzoia, is imposing names of sub-locations, locations and divisions against the wishes of the majority of the residents of these areas.

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

- (a) Kwanza Division of Trans Nzoia District has been sub-divided into two divisions.
- (b) The names of the two Divisions are Endebeess and Kapkoi divisions.
- (c) The naming of the administrative units was done by the leaders of Kwanza Division in a Sub-DDC meeting and not by the District Commissioner.

Mr. Busolo: Mr. Speaker, Sir, arising from that answer, could the Assistant Minister tell us the date in which that Sub-DDC that gave out the names of the Sub-locations was held.

Mr. Sunkuli: Mr. Speaker, Sir, my information is that the meeting was held and unfortunately, I do not have the dates here.

Mr. Sifuna: On a point of order, Mr. Speaker, Sir. In view of the fact that the Assistant Minister has not given a satisfactory answer, could he go and get proper information so that he can give a satisfactory answer to this House?

Mr. Sunkuli: Mr. Speaker, Sir, what I said is that Kwanza Division has been divided into two and I have given the names of the two divisions. Can there be a more satisfactory answer than that?

Mr. Busolo: Mr. Speaker, Sir, I do not dispute what the Assistant Minister is saying, but the point we are raising is that, District Commissioners arrogate themselves the powers of naming sub-locations and locations. Now, he says there was a Sub-DDC meeting. I was simply asking him to tell us the date on which that meeting took place. If he cannot, he should tell us the date which he will bring that information to this House.

Mr. Sunkuli: Mr. Speaker, Sir, on Tuesday I will table the minutes of the Sub-DDC meeting.

Mr. Speaker: Very well! Next Question!

Question No.1031

MISUSE OF FUNDS BY DISTRICT OFFICER

Mr. Mak'Onyango, on behalf of **Mr. Karan**, asked the Minister of State, Office of the President:-

- (a) if he is aware that the District Officer, Kadibo Division, is tainting the image of the Government, in that on 1st July, 1995 the said officer took Kshs6,000 out of public funds collected in harambee by Rabuor Health Centre Project Committee and has not refunded the money; and also mid last year, the same Officer took seven bags of paddy rice from the officers of National Irrigation Board, West Kano, which he said was for the District Commissioner and later sold at a rice mill in Rabuor Market;

(b) if he is further aware that in the month of February, 1996, the District Officer pulled down a community building in this Centre and sold all the iron sheets and poles without the knowledge of the local leaders; and,

(c) if the answers to "a" and "b" above are in the affirmative, what steps he is taking to ensure that the funds are refunded and the District Officer disciplined.

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

(a) No, I am not aware.

(b) No, I am not aware.

(c) This does not arise.

Mr. Mak'Onyango: Mr. Speaker, Sir, arising from that somewhat irresponsible reply, can the Assistant Minister tell the House, or could the Assistant Minister deny that the D.O in question has since been transferred to some other place because of no other incident other than this?

Mr. Sunkuli: Mr. Speaker, Sir, the D.O. was transferred in the normal administrative process.

Mr. Mak'Onyango: Mr. Speaker, Sir, could the Assistant Minister tell the House the normal administrative process to be followed in handling matters of this nature? That is when officials or administrative officers commit crimes.

Mr. Sunkuli: Mr. Speaker, Sir, the hon. Member is acting under the impression that the District Officer in question actually stole these bags of rice or the money. What happened is that, the Rabuor Health Centre Project Committee has itself confirmed that the District Officer never took the money from the harambee funds as alleged. Again, the six bags of paddy rice are being kept in the District Officer's office for storage after they were recovered from some suspected thieves. There is no question of the D.O. having committed any offence.

Mr. Ogeka: Mr. Speaker, Sir, arising from the answer given, the particular D.O had at one stage stated clearly that, he would never sit together with the Member of Parliament from the constituency in any meeting, be it a Sub-DDC or otherwise, where the area under his jurisdiction is at stake.

What is the Government policy in such a statement where the D.O states very clearly that he is not ready to sit and will never see eye to eye with an elected Member in that particular area?

Mr. Sunkuli: Mr. Speaker, Sir, I think, the proposition was just a question of fact, that hon. Karan does not go to his constituency, so there is no way the D.O can actually sit with him.

Mr. Mak'Onyango: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister not misleading the House by saying that the hon. Member for Nyando does not go to his constituency when I know for sure that he is there every weekend? Can the Assistant Minister tell the House when for example, the MP was not in the Constituency?

Mr. Sunkuli: Mr. Speaker, Sir, I think it is only fair in a democracy like this where MPs represent their people, that they should go to their constituencies and at all times. The problem with the kind of Opposition we have today, is that most of them do not go to their constituencies.

Mr. Ogeka: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to mislead this House that hon. Karan of Nyando does not go back to his constituency while we know very well that he does not have a permanent residence in Nairobi and every weekend, except from Tuesday to Thursday when we have business in this House, hon. Karan is constantly in his constituency. Is it in order to allege or mislead this House that he does not go to his constituency?

Mr. Speaker: Hon. Members, the Chair does agree that Members go to their constituencies. Next Question.

Question No. 441

MONEY PAID OUT BY INSURANCE FIRMS

Dr. Otieno-Kopiyo asked the Minister for Finance how much money insurance firms paid out to motor vehicle accident victims during the 1994/95 financial year.

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

The amount of money that was paid out to motor vehicle accident victims during the year 1994 by the insurance firms was Kshs807,209,431.45.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, in view of the answer given by the Assistant Minister for Finance, what action does he envisage taking in view of the fact that there is a consortium of policemen, lawyers and insurance companies who conspire against hapless accident victims to deny them their payments hence they are called "ambulance chasers" and a lot of victims who cannot afford to pursue this matter end up without their payments?

Mr. Koech: Mr. Speaker, Sir, I do not think you can rule out any type of misuse of the victims' money by the lawyers but, of course we do expect those who assist the victims to be very vigilant on this particular issue.

Mr. Wamae: Mr. Speaker, Sir, could the hon. Assistant Minister instruct insurance companies to give a copy of the letter forwarding the cheque to the lawyer to the victim because many times the lawyers do not inform their clients that money has been paid by the insurance companies?

Mr. Koech: Mr. Speaker, Sir, I do not think it is possible for the Ministry to police all these types of claims because if the individuals concerned do not take up this matter very seriously, I do not think we can have a 100 per cent way of policing this insurance.

Mr. Nthenge: Mr. Speaker, Sir, could the Assistant Minister consider the question seriously because a lot of people who go to lawyers who are not well-educated - First of all they have great faith in the lawyers because actually the legal profession is an honourable profession. But when a few of them decide to be deceitful, they keep on telling their clients they have not yet received anything and the matter is being looked into until the people suffer. So, we are asking the Assistant Minister to tell the insurance firms to send the client a copy of the letter submitting a cheque to the lawyer.

Mr. Koech: Mr. Speaker, Sir, I think I answered that question and we have got quite a good number of legal channels which those who are aggrieved can actually follow and we know the way our society is. Now, there is nothing we can do unless all of us are going to be very serious in our work so that some people will not be victimised.

Dr. Otieno-Kopiyo: Mr. Speaker, Sir, in view of what he is saying, could the Ministry consider introducing a regime to govern the payments of monies to victims that have met their fate in this manner? Could you consider putting in a regulation that would protect the victims because they are losing a lot of money? I do not know whether you are aware how much that money which has been lost amounts to?

Mr. Koech: Mr. Speaker, Sir, I would challenge the hon. Member to bring a Motion; maybe you can support it.

Question No. 751

VOLUME OF DIRECT LENDING BY CBK

Mr. Orengo asked the Minister for Finance:-

(a) what was the volume of direct lending by the Central Bank of Kenya to financial institutions including banks, private or public companies and natural persons in 1993, 1994, 1995 and 1996;

(b) which were these institutions, companies or persons and specific amounts received by each body; and,

(c) if the answers to "a" and "b" above are in the affirmative, what were the policy considerations or reasons for such lending and whether the amounts have been recovered.

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

(a) Except as provided in accordance with Section 36 of the Central Bank of Kenya Act (Cap.491) which indicates that the Bank may grant loans or advances to specified banks, Section 49 stipulates, that the Bank shall not extend any credit directly or indirectly to any public entity.

In this regard the volume of lending by the Central Bank of Kenya in 1993, 1994, 1995 and 1996 to banks was as follows:-

1993 - Kshs19,242,000,000

1994 - Kshs12,273,095,000

1995 - Kshs13,612,000,000

Within that period there was no new lending other than lending to National Bank of Kenya in the financial year 1993/94 of Kshs1,131 million which was fully repaid in the same year. The increase in 1994/95 was entirely due to outstanding legal fees and interest charges.

(b) Breakdown of advances are as follows: Outstanding amount as at the end of the financial year indicate as follows:

Trade Bank in 1993 - Kshs2.173 billion; June 30th 1994 -Kshs2.418 billion; 30th June 1995 - Kshs2.417 billion and 30th June 1996 - Kshs2.415 billion.

Post Bank - 1993 - Kshs2.064 billion; 30th June 1994 -Kshs2.065 billion; 30th June 1995 - Kshs1.958 billion and 30th June 1996 - Kshs1.517 billion.

Mr. Speaker: Mr. Koech, how long is it?

Mr. Koech: Mr. Speaker, Sir, it is not long. I have another three banks that I would like to mention.

The National Bank of Kenya - 30th June 1993 - nil; 30th June 1994 - Kshs1.31 billion; 30th June 1995 - nil; 30th June 1996 - nil.

Exchange Bank; 30th June 1993 - Kshs13.539 billion; 30th June 1994 - Kshs5.307 billion; 30th June 1995 - Kshs5,339 billion; 30th June 1996 - Kshs5.161 billion and, finally, Continental Bank; 30th June 1993 - Nil; 30th June 1994 - Kshs52 million; 30th June 1995 - Kshs52 million and also as at 30th June 1996 - Kshs52 million.

Now, the total as at 30th June 1993 was Kshs17,776 billion; 30th June 1994 - Kshs10.921 billion; 30th June 1995 - Kshs9,766 billion and as at 30th June 1996 - Kshs9.145 billion.

Mr. Orengo: Mr. Speaker, Sir, arising from the answer from the Assistant Minister and, particularly, considering his answers to part (2) and (3) of my Question which he has not read out, could the Assistant Minister agree with me that of all the banks which received loans from the Central Bank including the ones he has read and those that received overnight loans during the same period, were banks belonging to either politically correct Asian businessmen or banks which belong to operatives in State House? If you look at your list very carefully, and the evidence is there from your list, these monies were only going to politically correct Asian businessmen or those with connections in State House. Other banks which were owned by proper entrepreneurs who needed assistance were left by the Government to collapse.

Mr. Koech: Mr. Speaker, Sir, these banks were owned by Kenyan entrepreneurs, and we do not need to make unnecessary political capital out of the issue by giving the wrong information.

Mr. Michuki: Mr. Speaker, Sir, we have heard of the billions that the Central Bank of Kenya (CBK) disbursed to various commercial banks and financial institutions. It is quite apparent that this money was being advanced to those banks and financial institutions in order to finance certain identified individuals within the establishment. The role of the CBK is to behave as a lender of the last resort. That is to say, that where a bank requires money, it must go to another bank in the inter-bank lending to get that money before it goes to the CBK. Could the Assistant Minister tell us why the CBK, as a lender of the last resort, should have disbursed so much money, which eventually was irrecoverable?

Mr. Koech: Mr. Speaker, Sir, there was a loophole in the Clearing House which a few banks might have taken advantage of. I assure the House and the nation that this loophole has already been closed. In fact, much of the money which I have mentioned this afternoon has been repaid, including the overnight lending amounts which I did not mention in my main answer. So, much of this money has been paid and the CBK now cannot allow that type of mischief to occur. But I will not say that there was a big mischief because much of the money which had been lent has now been repaid.

Mr. Orengo: Mr. Speaker, Sir, of the money that is still not recovered, a large part of it was loaned to the Trade Bank. I have evidence - and I will lay my document on the Table - which shows that while the Government was loaning money to the Trade Bank this bank itself was acting as a laundering institution between itself and Trust Bank. Most of the money that the Government was giving to Trade Bank through the Trust Bank found its way overseas. I have evidence here to show that nearly Kshs1 billion went through to an account in England belonging to Mr. Ajay Shah. Why is the Government not taking steps against people like Mr. Ajay Shah who are here, and Mr. Kassam, whom I know where he lives in Vancouver in Canada, to recover this public money that was given to the Trade Bank? The Government is still refusing to go after these people who have misused public money! Why is the Government not taking steps?

Mr. Koech: Mr. Speaker, Sir, I do not think that the Government is leaving open any loopholes for misuse by any Government official. Already steps have been taken to bring to book anybody who has misused banking services. We know that we have been debating Public Accounts Committee reports and this House can recommend action against misdeeds committed in the past.

Dr. Otieno-Kopiyo: On a point of order, Mr. Speaker, Sir. The Assistant Minister is misleading the House. He has read out how much money was with the Exchange Bank as at June, 1996. This Bank has been closed. He is telling us that the loophole has been sealed and yet money is still outstanding! How can he harmonise those two different positions?

Mr. Koech: Mr. Speaker, Sir, for the money which is outstanding the Government will take steps to make sure that it is recovered. I said earlier that this money must be recovered. Since 1993, there has not been any lending of money by the CBK to any bank. This means that there has not been any misuse of CBK's facilities. If in the past some people might have misused the CBK then they will be brought to book.

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

Mr. Speaker: Order, Mr. Orengo! Order! I suppose that hon. Members seem to have a lot of interest in this matter. But the Central Bank of Kenya Bill is on the Order Paper and we will very soon be debating it. That is

when hon. Members will have an opportunity to ventilate the issues they have.

Mr. Michuki: On a point of order, Mr. Speaker, Sir. Given that the lending which the CBK does is based on Section 35 of the Central Bank of Kenya Act, is it in order for the Assistant Minister to talk about such amounts of money without actually confirming that this section was complied with? It is not possible that those banks were holding Treasury Bills which they could have pledged to the CBK for loans of that magnitude. Is it in order that--

Mr. Speaker: Mr. Michuki, I suppose that you wanted to make a point. Yes, Mr. Tuya.

Question No. 960

OPENING OF PRIMARY SCHOOL

Mr. Tuya asked the Minister for Education:-

- (a) whether he is aware that there is a primary boarding school started in 1990 at Siana Location of Narok South;
- (b) if the answer to (a) above is in affirmative what has delayed the opening of this school to date; and
- (c) What arrangements he is making to open the above school.

The Assistant Minister for Education (Mr. Komora): Mr. Speaker, Sir, I would like to apologise to the hon. Member and the House because there has been a delay in me getting the information for this Question. I would like to request that I be allowed to answer the Question next Tuesday.

Mr. Speaker: Mr. Tuya, what is your reaction to that?

Mr. Tuya: Mr. Speaker, Sir, I think I have the answer here, and I do not know why the Assistant Minister wants to be given time to answer the Question! Anyway, because I would like to have a good answer I can give him more time, so that he can answer the Question next week. Let him make sure that he comes here with a very specific answer.

(Question deferred)

Question No. 990

FUNDS FOR SHIMO LA TEWA SCHOOL

Prof. Mzee asked the Minister for Education:-

- (a) how much money was collected during the various harambees held for Shimo La Tewa Secondary School between 1993 and 1995;
- (b) whether he is aware that the school's academic performance in Kenya Certificate of Secondary Education has dropped from the top position in Coast Province to No. 9 in 1995; and,
- (c) what action he is taking to improve the school's academic performance.

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

(a) The hon. Member should have been more specific about the years when the various harambees that he refers to were held. However, one harambee was held in 1993, one in 1994 and none in 1995. The Harambee for 1993 raised Kshs1,234,029.45 while that of 1994 raised Kshs3,742,515 and materials worth Kshs570,000. It is noteworthy that the hon. Member did not attend the harambee held on 30.8.94, which was presided over by his Excellency the President, despite the fact that he was invited to it and was reminded about it over the telephone.

Mr. Komora: I am aware that the school's performance in KCSE examinations has dropped from the top position in the Coast Province to number 9 in 1995. In order to improve the school's academic performance, my Ministry has appointed a full Board of Governors to manage the affairs of the school on its behalf, while the Teachers' Service Commission under my jurisdiction has posted enough teachers to the school.

It is up to the local communities, parents and leaders including the hon. Member to ensure that there are adequate facilities to enable the teaching process to take place effectively.

Prof. Mzee: Arising from the answer which the Assistant Minister has given, first of all, I would like to say that the Harambee which was held in 1993 was presided over by none other than the Speaker of this House and I am very grateful for that. I was there seated beside him and he collected over Kshs1 million, which I want this House to know. Although I did not attend the Harambee which was conducted in 1994, I sent my contribution. I did not attend because when you attend such functions which are presided over by His Excellency the President, it is

misinterpreted that you are ready to defect. I did not want to appear that I was ready, and I will never be ready to defect. The President does not understand this thing.

Mr. Speaker: Order! Prof. Mzee, can you put your question now?

Prof. Mzee: The objective of this Question is to know how this money was used. It was over Kshs4 million and I have not seen any development in that school. It was only the other day when the Minister said that in the whole of 1995 to 1996, there was only one meeting of BOG.

Mr. Speaker: Order! Order, Prof. Mzee. I would prefer, as I said yesterday that you should put short and precise questions, so that you can have a chance to ask more questions and the House also can have a chance to participate.

Prof. Mzee: My question is: How was this Kshs4 million used? I have never seen an improvement or development in that school and yet, he has indicated that there was a new Board of Governors elected. These Board of Governors members have never met!

Mr. Komora: It is quite clear from the way the hon. Member has spoken that he is not quite interested in developing schools in his constituency. I would wish to state further that it is unfortunate for the Opposition Members of Parliament from the Coast because they do not have the courtesy of greeting even His Excellency when he goes there. I commend the Opposition Members of Parliament from Nyanza Province for behaving like true Kenyans, because they gave due respect to the President when he went there.

Mr. Speaker: Order! Order! Can we stop personalising issues?

Prof. Mzee: On a point of order, Mr. Speaker, Sir, I am very, very involved in the educational matters in my constituency. I attend all the Board of Governors meetings. I am very much interested in promoting education in the Coast. This Assistant Minister---

Mr. Speaker: Order! Order, Prof. Mzee. First of all, my order is this: To avoid all these unnecessary antagonism, all addresses should be made to the Chair, and, all fingers should point at me.

Prof. Mzee: My, point of order is: Is this Assistant Minister in order to say that I am not interested in promoting education? I want to tell this Assistant Minister through you, that he cannot be elected next time to Parliament because his District is the last in this country! He is in trouble and I am trying to help him!

Mr. Speaker: Mr. Komora, would you like to respond? Remember I said all address should be through the Chair.

Mr. Komora: Mr. Speaker, Sir, I have made my point. I think we, as Members of Parliament and as Kenyans should pay due respect to the Head of State when he comes around. The Question was specific. It asked for how much money was raised and I have answered that one. With regard to proper expenditure, I can give the information at a later date.

Mr. Nthenge: Out of the Kshs4 million collected through the Harambee, could the Assistant Minister be kind enough and tell the House what projects have been developed with that money?

Mr. Komora: The money collected was used to purchase the equipment which the Government has never been able to supply, for example, furniture, Library and so on. But as I said, since this question was not--

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

Mr. Speaker: Order! Order, Mr. Nthenge. I suppose hon. Members must respect the rule. The rule is that if a Member rises on a point of order, and he is given the Floor, the other Member will sit down. Until you are recognized, the Member will not take the Floor. What is it now Mr. Nthenge?

Mr. Nthenge: My point of order was that we should be told that we build a project for so much, a kitchen for so much. But he is making a general statement as if he is making a speech. My question is: What projects were developed out of that money and what is the balance?

Mr. Komora: I think I have already answered that question in reply to hon. Mzee's question about the expenditure of the money which I am prepared to give later on.

Question No.1025

GRANT FOR DRUG PROCUREMENT

Mr. Mbeo asked the Minister for Health:-

- (a) to confirm when the World Bank granted Kenya US\$40 million for drug procurement;
- (b) what tendering method was used to procure these drugs and which companies tendered; and,
- (d) which districts benefited from the said supply of drugs.

The Assistant Minister for Health(Mr. Mutiso): Mr. Speaker, Sir, I beg to give the following reply.

(a) The World Bank granted Kenya a total of US\$8 million and not US\$40 million as alleged by the hon. Member. This was for the procurement of STD, HIV and Aids drugs and protective none pharmaceutical in December, 1993.

(b) The tendering method used was International Competitive Bidding (ICB) using the World Bank guidelines. Thus, the tender open to all eligible companies and firms in the World Bank Member countries. The list of 59 companies that participated in this tender is attached herewith and the hon. Member has the copy.

(c) All the districts in the country benefitted from the supply of drugs under this tender.

Mr. Mbeo: It is really a shame to hear about that kind of response from the Assistant Minister. Everything which he has told this House is completely untrue. The tender was actually US\$40 million and not US\$8 million. The US\$8 million which he has referred to was only for the first phase!

Mr. Speaker: So, Mr. Mbeo, what is your question?

Mr. Mbeo: I have to build my question because this is a very serious matter and we are losing a lot of money!

Mr. Speaker: Order! Order! I have been giving hon. Members a lot of latitude. The Standing Orders clearly state that: A Question shall not be made in the pretext of a speech. It is best that you put the question to him as precisely as you can so that you can, have more questions to put to him and other Members also will have more time to put questions. If you take your five minutes, then the other Members will have no chance!

Mr. Mbeo: Mr. Speaker, Sir, is the Minister aware that all these medicines he is talking about are still rotting at the port of Mombasa and have not been cleared as he claims. Therefore, section "c" of the answer cannot arise.

Mr. Mutiso: Mr. Speaker, Sir, it is not so, and I will not agree with the hon. Member. All I know is that some of the drugs are still under clearance at the port and the question of them rotting does not arise.

Mr. Obure: Mr. Speaker, Sir, the Assistant Minister has alleged that US\$88 million was spent for procuring medicine. Kisii District has never received medicine from these beneficiaries. How much was spent in Kisii District?

Mr. Mutiso: Mr. Speaker, Sir, I am sure you will agree with me that the hon. Member cannot know what medicines are sent to Kisii District because he is not a Medical Officer of Health (MOH). Therefore, he cannot tell how many drugs were brought there. I have information that all the districts have benefitted out of this.

Mr. Obure: On a point of order, Mr. Speaker, Sir. At least I went to school and I know malaria. People suffered in the districts and there was no medicine.

Mr. Speaker: That is not a point of order.

Mr. Obure: Mr. Speaker, Sir, the point of order is this: Is the Assistant Minister in order to mislead this House and the nation when he knows that malaria struck in Kisii District and there were no malaria drugs supplied?

Mr. Mutiso: Mr. Speaker, Sir, the hon. Member is out of the point because this particular money was meant for Sexually Transmitted Diseases (STD), and AIDS and not for malaria.

Mr. Ojode: Mr. Speaker, Sir, can the Assistant Minister confirm or deny that the drugs cannot be cleared simply because the main suppliers had not been paid? This is because the Government had already paid Kshs400 million to EUROTEC Ltd., which is a sister company to EQUIP Agencies.

Mr. Mutiso: Mr. Speaker, Sir, it is not so.

Mr. Speaker: Very well. Next Question!

Question No. 1001

AMOUNT OF CESS PAID BY SUGAR COMPANY

Mr. Speaker: This Question by hon. Wetangula is deferred to next week.

(Question deferred)

Question No.386

SERVICES CHARGE COLLECTED BY COUNCIL

Mr. Speaker: Rev. Ommani is not here as well. We will leave his Question until the end. Let us move on to the next Question.

Question No. 380

PURCHASE OF CEMENT BY MUNICIPALITY

Mr. Sifuna asked the Minister for Local Government:-

(a) whether he is aware that Bungoma Municipal Council purchased ten (10) bags of cement in Bungoma Town at a total cost of Kshs8,350 as per Payment Voucher No. 001955 of June, 1995; and,

(b) if he is satisfied with the price of the ten bags of cement stated above.

The Assistant Minister for Local Government (Dr. Wameyo): Mr. Speaker, Sir, I beg to reply.

(a) The Council has not bought ten (10) bags of cement at a total cost of Kshs8,350.

The Payment Voucher No. 001995 of June, 1995 indicates the cost of ten bags of cement as Kshs4,900, that is, Kshs490 per bag and one lorry of ballast at Kshs3,450. The total cost, therefore, is Kshs8,350.

Mr. Sifuna: Mr. Speaker, Sir, arising from that answer, in June, 1995, one bag of cement in Bungoma was costing Kshs360 and not Kshs490, as claimed by the Assistant minister. The ballast was costing Kshs2,500 and not Kshs3,450. Could the Assistant Minister produce documentary evidence to the effect that, actually, the cost of cement was Kshs490? Even the current price is Kshs440, it has not even reached the figure of Kshs490 that he is quoting. Can he produce the documents?

Dr. Wameyo: Mr. Speaker, Sir, with due respect, I would plead with the hon. Member to produce the documents to confirm his allegation.

Mr. Sifuna: Mr. Speaker, Sir, I have told the Assistant Minister that the price of cement, even now is Kshs440 and not Kshs490. But in June, 1995, it was costing Kshs360. It is me who has requested the Assistant Minister to produce the receipts amounting to that figure, which he is claiming here. He should, therefore, not ask me to produce the receipts. If he wants, I can produce documentary evidence.

Mr. Speaker: Can you produce the evidence? He wants it.

Mr. Sifuna: Mr. Speaker, Sir, what I wanted was the Assistant Minister to produce the receipts or photo-copies of the receipts.

Mr. Speaker: Well, I will give you the Floor only if you have another Question, but if it is an argument about who between the two of you has the documents, I am lost.

Dr. Wameyo, will you ask another Question or you want to reply?

Dr. Wameyo: Mr. Speaker, Sir, I have already told the hon. Member that if he can produce documents contrary to what I have said, then I will investigate.

Mr. Gitau: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to mislead this House, while the hon. Member from Bungoma has actually simplified his work by giving him the Payment Voucher number to refer to in his Bungoma District, and come back here and tell us what actually took place.? He has had all the time to do that.

Dr. Wameyo: Mr. Speaker, Sir, it is true that he has quoted the Payment Voucher number which I have also quoted.

Mr. Speaker: Final one, Mr. Sifuna.

Mr. Sifuna: Mr. Speaker, Sir, arising from the Assistant Minister's reply, would I be in order to rest these matters in peace, that I produce the receipts on Tuesday next week, showing the current price? The Assistant Minister should tell us here and now that, if I do that, what action he will take against these officers who are colluding with traders to swindle the Council of millions of shillings.

Dr. Wameyo: Mr. Speaker, Sir, the current price will not confirm the price in June.

Mr. Speaker: Next Question.

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

Mr. Speaker: I am sorry, Mr. Sifuna. Mr. Icharia's Question.

Question No. 1024

ISSUANCE OF TITLE DEEDS IN KAJIADO

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

(a) what urgent steps he is taking to ensure that all the land title deeds in Mosiro and Ilood Arik

adjudication areas in Kajiado District, legally and lawfully issued, are honoured by the Government in accordance with the Constitution; and,

(b) when the title deeds in the areas within Kajiado District, yet to be adjudicated, will be issued.

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

(a) I am not taking any urgent steps to ensure that all title deeds in Mosiro and Hood Arik adjudication areas in Kajiado District legally issued are honoured by the Government in accordance with the Constitution because there is a pending court case involving the areas.

(b) Title deeds will be issued to areas within Kajiado District yet to be adjudicated, after the adjudication process which is on going is complete.

Mr. Icharia: Mr. Speaker, Sir, is the Assistant Minister aware of the proposed Bill which, in fact, has been scrutinised by the Attorney General titled: "The Registered Land, Mosiro and Hood Arik Registration Sections, Ratification of Registers Bill?" The Bill is meant to deny members of---

Mr. Speaker: Order!

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Speaker, Sir. Is the hon. Member in order to anticipate a discussion on a Bill that has not come to this House?

Mr. Speaker: Put your question properly. If there is a Bill, you will have an opportunity to deliberate on it.

Mr. Icharia: Mr. Speaker, Sir, that Bill is meant to deny certain members of a certain community their land rights by proposing to cancel title deeds which have already been issued and this is tantamount to denying them their land rights. I have a copy of the Bill and I am going to lay it on the Table. Is the Assistant Minister aware of this and if so, what are his views on this matter?

An hon. Member: Which is this community?

Mr. Speaker: Order! Mr. Icharia, what is the use of laying on the Table a copy of a Bill which is the business of the Clerk in accordance with our rules? How do you become the Clerk, Mr. Icharia?

Mr. Icharia: Mr. Speaker, Sir, I am talking about a proposal to cancel these title deeds. I have got the document and the Attorney-General has already gone through this Bill.

Mr. Sumbeiywo: Mr. Speaker, Sir, as I earlier on said, there is a case pending in court and if there is a Bill which is to come to this House, I request the hon. Member to wait and then he can have an opportunity to ask that question. I do not think I need to answer that question.

Mr. Icharia: Mr. Speaker, Sir, this Bill is going to selectively deny members of a certain community their land rights and I wish to lay the document on the Table.

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Speaker, Sir. The hon. Member is persisting on this so-called Bill just to prove the case that he is trying to make on this land. Since the matter is in court, why should he raise it?

Mr. Speaker: Order! Hon. Members, I think we must trend very carefully where there are issues pending before court in litigation. Secondly, I do not propose that hon. Members should collect any piece of paper and table in this House as proposed legislation. So, I urge hon. Icharia to trend very carefully on a Question if the matter is before court so that it does not appear like Parliament is trying to pressurise the results of the case in one way or the other. Can you ask questions having that in mind?

Mr. Icharia: Mr. Speaker, Sir, this proposed Bill has nothing to do with the court case. I would like the Assistant Minister to look at this proposed Bill and comment on it.

Mr. Sumbeiywo: Mr. Speaker, Sir, I said very clearly that we should wait for the Bill to come to Parliament and then we can discuss it. If he will want to criticize it or amend it, he will be in order.

(The hon. Member laid the document on the Table)

Question No.343

REVOCATION OF LAND ALLOCATIONS

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

(a) whether he is aware that land earmarked for recreational activities and road expansions in Nairobi City has been allocated to individuals who are erecting permanent buildings on them; and

(b) whether he could revoke such allocations and ensure that those parcels of land are retained for public utilities.

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

(a) I am aware that land earmarked for recreational activities and road expansions in Nairobi was allocated by error.

(b) Cases of such allocations have been revoked and the exercise is going on as more of such cases are brought forward to ensure that the parcels of land remain public utilities.

Mr. Nthenge: Mr. Speaker, Sir, how many such allocations have been revoked so far?

Mr. Sumbeiywo: Mr. Speaker, Sir, land earmarked for recreational activities has in the past erroneously been allocated to individuals or organizations, but to give the exact number of such cases, is a bit impossible because they keep on coming up and we solve them as they come in.

Mr. Raila: Mr. Speaker, Sir, the question of land grabbing is very rampant in the town. In fact, most of these grabbers have now become very daring, indeed.

We have a case here of a road in Kileleshwa, the corner of Makueni Road and Sogota Road, where somebody has taken an existing tarmacked road, fenced it off and is illegally constructing a diversion from it. This man has committed three offenses, one, he is grabbing a public road, two, he is conducting illegal quarry and three, he is constructing a road without following the proper specifications laid down by the Nairobi City Council. What action is the Assistant Minister taking and is he aware that this is happening?

Mr. Sumbeiywo: Mr. Speaker, Sir, regarding the Kileleshwa case, I am not in a position to answer it at the moment because it is a new case. If the hon. Member can consult with the Ministry, we will take it up.

I would like to request the hon. Members and any other member of the public who has a case of wrong allocation of land to bring it forward and we will try and solve it. I am aware that there are pieces of land that are allocated when one applies for them and the question of grabbing does not arise in this case.

Mr. Mbeo: Mr. Speaker, Sir, my constituency is never spared this crazy activity that is taking place. We have toilets in Mathare Constituency that have been grabbed and double or triple buildings built on them. Could the Assistant Minister inform this House what action he is going to take on those people who have acquired public utilities and built on them? Are they going to be destroyed, turned into proper use or what is going to happen?

Mr. Sumbeiywo: Mr. Speaker, Sir, if there have been allocations---

Mr. Mbeo: On a point of order, Mr. Speaker, Sir. Is it in order for a "policeman" to tell me to shut up and sit down?

Mr. Speaker: Order! Mr. Mbeo, all of us must be serious in this House and we must respect it if we do not respect ourselves. I am sure that all hon. Members have their own various backgrounds, but the minute they are elected, those other backgrounds cease to exist and they become hon. Members, including yourself. So, you are now ordered to withdraw that remark directed to the hon. Assistant Minister?

Mr. Mbeo: Mr. Speaker, Sir, the hon. Assistant Minister acted---

Mr. Speaker: Order! The hon. Mbeo, you have an order to discharge. You have been ordered to withdraw the remark you made against the Assistant Minister. Will you comply?

Mr. Mbeo: Mr. Speaker, Sir, I withdraw that statement and apologise.

Mr. Nthenge: Mr. Speaker, Sir, we are thankful to the Assistant Minister for his answer, but it might turn out to be paperwork. Practically, what he has suggested to do might not happen, but will appear on paper. Can he tell this House how many allocations have been revoked and what action has been taken by the Government.

Mr. Sumbeiywo: Mr. Speaker, Sir, as I said, there were a few cases of land allocation which was done by error. This is being corrected as and when they come.

Question No. 868

SUPPORT OF WOMEN'S IRRIGATION SCHEMES

Mr. Speaker: Is Mrs. Asiyo not here? We will leave her Question until the end. Let us move on to the next Question.

Question No. 1017

PROMOTION OF TOURISM

Mr. Achieng'-Oneko asked the Minister for Tourism and Wildlife in view of the fact that Kenya has lost 24 per cent of both revenue and the number of tourists, what he is doing to restore the confidence of Kenya, as a tourist destination, so as to save the tourist industry.

The Assistant Minister for Tourism and Wildlife (Mr. Kisiero): Mr. Speaker, Sir, I beg to reply.

It is true that the country has lost both in revenue and the number of tourists to the country. The actual position, however, is that Kenya suffered a 20 per cent drop in visitor arrivals and 11.3 per cent drop in foreign exchange earnings, and a 24 per cent drop in visitor departures in 1995.

In order to reverse the above trend, my Ministry has taken the following measures:

(i) It has established the Kenya Tourist Board to coordinate the marketing and promotion of Kenya as a tourist destination.

(ii) It has organised familiarisation tours for travel writers, journalists and tourism wholesalers from various overseas countries.

(iii) It has put in place a beach management programme and set up a tourist police unit in order to minimise harassment of our tourists along the beaches and to enhance the safety and security of the visitors.

(iv) The Ministry is in the process of implementing the newly completed National Tourism Master Plan.

These measures are expected to restore the confidence in Kenya, as an attractive tourist destination.

Mr. Achieng'-Oneko: Mr. Speaker, Sir, I do appreciate the statement contained in the answer. But I would have liked also, to draw the attention of the Assistant Minister to the following question: Why has the Ministry forgotten to include measures that will encourage local tourists, like hon. Members of Parliament, to visit and stay in their hotels?

Mr. Kisiero: Mr. Speaker, Sir, our local people, including hon. Members of Parliament, are encouraged to visit various parts of this country, so that they can sample for themselves the good things that this country has got. We know that the trend does reduce their tariffs during the off-season period, that is around May, June and July, to enable the local people to be able to afford visiting our local places. So, they are very encouraged to come and visit our places.

Prof. Mzee: Mr. Speaker, Sir, arising from the answer which the Assistant Minister gave, there are four factors which have undermined our tourist industry. The first one is security. The second one is poor road infrastructure. The third one is lack of water. The fourth one is the power rationing that we experience. The Assistant Minister never mentioned anything about improving all these problems. Without improving these, he should forget about it. The former Minister accepted that the drop rate was 40 per cent. We have a tourism crisis. Why do you under-rate it?

Mr. Speaker, Sir, first of all, they have to withdraw Legal Notice No. 9.

Mr. Speaker: What is your question?

Prof. Mzee: Mr. Speaker, Sir, I would like the Assistant Minister to tell us what the Ministry, now headed by a new Minister, is doing to improve this situation? We are asking the new Minister to improve these things.

Mr. Kisiero: Mr. Speaker, Sir, my hon. friend has mentioned the question of security as being one of the problems. I have already mentioned that we are doing everything possible in that direction. We have already put up a police unit that is assisting our visitors at the Coast. That unit is doing very well. As to the other areas, that is, infrastructure like roads, electricity, water and so on, that is a multi-sectoral issue and our various Ministries are doing their best to make those facilities available so that tourists can enjoy their stay in this country.

Mr. Michuki: Mr. Speaker, Sir, first, may I declare my interest in this subject as a hotelier. Secondly, I would like to ask the Assistant Minister the following question: Although there is more than meets the eye in what has been said here regarding the problems in tourism, could he tell this House whether, compared with the amount of money such countries like South Africa and Zimbabwe are spending from public funds to market tourism, how much money has the Government set aside for marketing tourism alone? I am not asking about the money spent on anything else related to tourism.

Mr. Kisiero: Mr. Speaker, Sir, while I may not be able to give that answer in terms of money, I wish to assure my hon. friend that we are doing a lot to enhance the image of this country. For example, we are spending a lot of money to invite travel writers, journalists---

Mr. Michuki: On a point of order, Mr. Speaker, Sir. For a Member of Parliament, and a Minister at that, who has been asked a specific question, to continue mentioning what he considers to be more money, is meaningless as far as my question is concerned. Could he state how much money has been spent on marketing?

Mr. Kisiero: Mr. Speaker, Sir, that is really a new question, when we look at the way this Question was set. So, I will be happy to get the answer if my hon. friend would like to put another Question.

Question No. 617

POSTING OF INFORMATION OFFICER

Mr. Ndzai asked the Minister for Information and Broadcasting why his Ministry has failed to post an Information Officer from Malindi to serve Magarini Divisional Headquarters.

The Minister for Information and Broadcasting (Mr. Makau): Mr. Speaker, Sir, I beg to reply.

There is no need of posting an Information Officer to Magarini Division because we already have Malindi as a sub-district with two information officers, who serve the area adequately.

Mr. Ndzai: Mr. Speaker, Sir, actually, the Minister has no reply. I think the Minister has never been to Malindi or to Magarini. Magarini is very far from Malindi and the officers stationed at Malindi cannot serve the people in Magarini. Can the Minister, as a matter of urgency, post one of the officers to Magarini so that the people can be served adequately?

Mr. Makau: Mr. Speaker, Sir, when we created a sub-district in Malindi, we did that to have more officers so that Magarini Division can be served. There is no need now to post another information officer to go to Magarini. This is because the distant and transport is adequate.

Mr. Ndzai: On a point of order, Mr. Speaker, Sir. Can the Minister tell us the distance? How many kilometres---

Mr. Speaker: That is not a point of order, hon. Ndzai!

Mr. Ndzai: Mr. Speaker, What is the problem?

Mr. Speaker: Order! That is not a point of order!

Proceed, hon. Badawy!

Mr. Badawy: Mr. Speaker, Sir, is the Minister aware that although he claims there are two Information Officers in Malindi, they cannot adequately serve the entire sub-district because of the perpetual breakdown of the only vehicle, public address systems and withdrawal of television camera which has never been replaced?

Mr. Makau: Mr. Speaker, Sir, as far as transport is concerned, Malindi sub-district has transport and also the equipment, but if there is any breakdown, it will be repaired. On the question of the television camera, the hon. Member is aware that we are trying to get a booster for the people living in Malindi to be able to see clearly. Currently, televisions in Malindi are not clear until we put a booster there. I have already informed the hon. Member of Parliament that work is going to be started.

Mr. Speaker: Very well. For the last time, Mrs. Asiyo's Question?

Mr. Ndzai: On a point of order, Mr. Speaker, Sir. Is the Minister aware that we have only one division in Malindi and one in---

Mr. Speaker: Order, Mr. Ndzai, you have been here for a long time, you better go and find out the meaning of a point of order. You are taking that opportunity to ask a supplementary question; that is not allowed.

Question No.868

SUPPORT OF WOMEN'S IRRIGATION SCHEME

Mr. Ojode: Mr. Speaker, Sir, on behalf of Mrs. Asiyo, I request that you defer the Question to next week.

Mr. Speaker: Very well, Question deferred to the week after next.

(Question deferred)

For the second time, Rev. Javan Ommani's Question?

Question No.386

SERVICES CHARGE COLLECTED BY COUNCIL

Mr. Magwaga: Mr. Speaker, on behalf of Rev. Ommani, I request you defer the Question.

Mr. Speaker: Very well, Question deferred to the week after next.

(Question deferred)

PERSONAL STATEMENT

ALLOCATION OF SANSORA OIL MILLS PLOT

The Minister for Agriculture, Livestock Development and Marketing (Mr. Nyachae): Mr. Speaker, Sir, during yesterday's debate on the Motion moved by hon. Mak'Onyango, papers were tabled in this House among which was a mention of Sansora Oil Mills Limited having been involved in grabbing part of Nyanza Research Station land in Kisii District.

This allegation is erroneous and malicious. Sansora Oil Mills Limited was allocated an industrial plot through the laid-down procedures, starting from the District Plot Allocation Committee. The plot which was allocated 13 years ago is situated in the industrial area neighbouring Nyanza Research Station. Indeed, it is a well-known fact that the factory is in the industrial area of Kisii Municipality where even the Kisii Bottlers Factory is also situated and neighbouring Sanora Oil Mills Factory Limited.

The factory has been operating as an industry which has created employment in the year for the last 12 years. It is, therefore, malicious, and indeed, misleading not only to this House, but the whole country that Sanora Oil Mills Limited is among those who may have acquired land from the Nyanza Research Station.

Sansora Oil Mills Limited is one of the companies owned by Sansora Group of which I am the Chairman and all our establishments are situated on land which has been acquired procedurally and lawfully.

This factory provides income to farmers to the tune of Kshs20 million annually in the form of contract farming for sunflower as a raw material in Kisii, Nyamira, Migori, Suba and some parts of Western Province, in addition to offering employment of several people in the area.

MINISTERIAL STATEMENT

ADDITIONAL INFORMATION TO QUESTION NO. 455

The Assistant Minister for Public Works and Housing (Mr. Mwamzandi): Mr. Speaker, Sir, on 3rd October, 1996, when I was replying to Question No.455, the hon. Mathenge wanted to know the roads that have benefited from the Petroleum Levy. Since the list is big, I will table it. This document is showing tarmacked roads which were repaired and maintained in 1994/95 financial year and also unpaved road which were repaired and maintain in the same financial year, 1994/95.

The list is also showing the bridges which benefited from this levy.

(Mr. Mwamzandi laid the document on the Table)

Mr. Wamae: Clarification, Mr. Speaker, Sir. I would like the hon. Assistant Minister to note that the road from Marua to Kiganjo has not been repaired for the last six years. It was a tarmacked road and now it is turning into a murrum road. If all that money has been spent in Nyeri, that road would have been repaired. It is good for the hon. Assistant Minister to check again whether this money has been spent in the roads he has mentioned.

Mr. Speaker: Very well, Next Order! What is it Mr. Osogo?

The Assistant Minister for Commerce and Industry (Mr. Osogo): On a point of order, Mr. Speaker, Sir. What remedy have we, as hon. Members of Parliament, to get information being laid on the Table, which is only available to the Clerk of National Assembly, and all of us are not able to reach the Clerk and get that information? The information that has been laid now is very important to all of us and we would like to have a look at it. Is there any way that information can be availed to us?

Mr. Speaker: I suppose that you can always walk here, pick it and read it. I suppose also you can go to the HANSARD office and get it. You could also make a special requisition, if you want. So there is an avenue available for any hon. Member interested in reading a document that has been laid on the Table. I direct, the secretariat, of course, to make it much easier for any hon. Member who wants to peruse any document tabled in this House to get it.

Next Order!

MOTION

ADOPTION OF PIC REPORT

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

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

(Resumption of debate interrupted on 3.10.96)

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, when the House rose on 3rd October, 1996, I was presenting my presentation on the Sixth Report of the Public Investments Committee (PIC) to this Parliament and I was speaking about the National Cereals and Produce Board.

The point I was making was to illustrate how irregular and unusual processes of procurement and tendering in parastatals have led to substantial losses of public resources, and that I had mentioned that I was only going to give an example of a few parastatals. I had talked about the National Housing Corporation, then I was in the NCPB, and I was going to give examples from Nzoia Sugar Company and the National Social Security Fund (NSSF). And I would leave my colleague, the present Chairman, the hon. John Peter Mutere, to deal with the Kenya Industrial Estates, the National Council for Science and Technology, the Kenya Tea Development Authority and the Kenya Airports Authority.

These particular parastatals were the ones that were very prominent in our Committee in undertaking very irregular procurement and tendering procedures, and we would like to draw the attention of the National Assembly to this.

Mr. Speaker, Sir, that does not mean that we are exempting other parastatals, but we would like the House, to take note of those parastatals, and in the debate, also identify other parastatals which have also been involved in these irregular procurement and tendering procedures.

Mr. Speaker, Sir, let me conclude discussions on the National Cereals and Produce Board (NCPB) by noting how irregular procurement in that parastatal led to the defrauding of the parastatal of nearly Kshs1.1 billion, which are unlikely to be recovered precisely because of irregularities in procurement procedures. I would like to draw the attention of the House to the conclusions that the Committee came to on page 5 of our Report.

"The Committee noted that the Board of the NCPB should institute legal proceedings in order to recover Kshs99,865,548.00 that was owed by the East African Bag and Cordage, and its subsidiary Company, Kensack, as a result of a procurement procedure that led to NCPB not being paid that money. I noted when I was presenting this case last time, that this case had gone to court and that the Government should ensure that, that money is recovered from East African Bag and Cordage, and its sister company, Kensack".

"Mr. Speaker, Sir, out of the figure owed, an amount totalling to Kshs32 million was obtained fraudulently by three companies viz: Yamao Ltd (Kshs18 million), Lotus Commercial (Kshs5 million) and Nchoke Ltd (Kshs9 million) in collusion with some of the employees of the Board. It is important that the Attorney-General investigates this matter to ensure that those employees of the Board who colluded with these companies to defraud NCPB of this money are brought to justice".

"The Directors of these companies are: Yamao Ltd - Mr. Henry Cheboiwo and Mr. Simon Mauncho, Lotus Commercial - Mr. Narin Shretta, Nchoke Ltd - Mr. Simon Mauncho, Mr. Mauncho Junior and Mrs. Kerubo Mauncho. These are the Directors of the companies, which in our investigations have more or less defrauded NCPB of substantial sums of money which should be investigated and recovered".

Mr. Speaker, Sir, another amount of Kshs75,140,468 owed by M/S Corrigrain Ltd was fraudulently diverted to a secret account in Switzerland belonging to an employee of the Board, Mr. Alfred Kiptanui Keter. The Committee was informed that M/S Corrigrain employees could not be brought under the jurisdiction of Kenyan courts in the absence of an extradition between Kenya and Switzerland, thereby making it difficult to charge Mr. Keter with theft by servant due to lack of corroborating evidence.

Mr. Speaker, Sir, you realise that we have more or less entered into "high-tech corruption" in this country, where employees of parastatals carefully choose their partners abroad, direct substantial sums of money to accounts in Switzerland, and then they are protected by extradition orders, so that we, as ordinary citizens of Kenya, through parastatals that survive on the taxpayer's money, are thereby taken to the cleaners. This is a case that we brought to the attention of the Attorney-General and the other four Permanent Secretaries when we discussed, and the Attorney-General did promise that he will look carefully into these extradition orders and see how best Mr. Alfred Kiptanui Keter as a Kenyan citizen could still be brought to justice in spite of the complication of the case.

"The Committee has made strong recommendation that the Attorney-General should institute immediate investigations with a view to exploring the possibility of using Interpol in recovering the amount of Kshs75,140,468 from Mr. Keter and M/S Corrigrain Ltd. The Board too should institute civil proceedings against the companies that I have mentioned above viz: Yamao Ltd, Lotus Commercial and Nchoke Ltd in order to recover Kshs32 million owed to NCPB".

Mr. Speaker, Sir, I will now move on to the case of the NSSF. The NSSF has been discussed in this

Parliament very frequently. Indeed, it was this week that the hon. Dr. Otieno-Kopiyo brought a Question to this House seeking the NSSF to lay before the House the number of plots it has bought from the public and the details therein. I will not go further into that, but I will only relate to the House the section of the Report that deals with acquisition of other plots, the details of which are contained in this Report, that should draw the attention of this House to the need to streamline the NSSF. I know that in the present policy framework paper of 1996 to 1999, the Government has proposed the streamlining of the NSSF. I also know that the Government is due to bring a Bill to this House, to deal with Pension Fund, including the NSSF. But that notwithstanding, past misdeeds of the NSSF, past losses of public funds as a result of mismanagement and corruption, past losses of public assets as a result of incompetence in the NSSF, should not be buried in the sand. The 4th, 5th and 6th Reports of the PIC contain substantial evidence and information that should lead the Government in its commitment, as it has said, to clean up its work, to clean up the Government. That, indeed, there is an obvious case of starting with the NSSF. Why? Because the NSSF controls substantial savings of workers that can be used for development and capital formation in this country. If that money is wasted through corruption and mismanagement, those who do so, must be brought to book.

I refer to the case of the acquisition of plots LR209/9101 and LR209/9103 in Nairobi South B, measuring 19.5 and 2.5 acres respectively. The Fund paid Kshs600 million for this land and for its development in October, 1992. In February, 1993, an agreement was signed between the Fund, the vendor and the developers to purchase these plots now for Kshs960 million. In other words, the Fund paid Kshs600 million upfront before any formal agreement was signed between the Fund, the vendors and the developers. This was illegal and irregular. It was against the Act establishing the NSSF.

Mr. Speaker, Sir, after the plots were purchased in early October, 1992, the Fund proceeded to appoint lawyers on the 23rd, October, 1992 to facilitate the acquisition of these plots. In other words, the Fund first bought the land and then appointed lawyers to facilitate the buying. This was a second irregularity and illegality. You do not buy something first and then hire lawyers to facilitate the purchase of what you are buying. You first of all hire lawyers, tell them that you want to buy something and then the lawyers facilitates the purchase before you pay the money. This was yet another case where the Fund was trying to use its resources to channel money to lawyers hands for work not done.

In November, 1992, these lawyers were paid a total of Kshs31,860,000 as lawyers fees by cheque No.988775. This money was paid without reference to the Advocates Act Cap.16 of the Kenyan Laws. The Committee was of the opinion that, following the Auditor-General (Corporations)'s observation that this money was paid irregularly and that the Fund should have first and foremost, hired lawyers to facilitate the purchase and even after they had hired lawyers to facilitate the purchase, the Advocate's Act should have been followed to determine the correct amount that the lawyers were to be paid. Hence, the payment of Kshs31,860,000 to these lawyers was irregular and tantamount to fraud.

The work that was completed in February, 1993, was valued by the Funds Project Manager at Kshs606 million instead of Kshs900 million paid between 1992 and 1993 to the vendors. Even the Fund's Project Manager determined that this transaction had gone overboard by Kshs294 million. There is, therefore, *prima facie* evidence that the Fund lost Kshs294 million in this transaction and then the Fund went ahead to pay Kshs31,860,000 to a lawyer's firm, I believe Kilonzo Mutula Advocates, irregularly.

Mr. Speaker, Sir, there is yet another case of an irregular purchase of an asset using workers' money by the Fund. This is the case of Bruce House, so called "Investments"---

*(Hon. Juma Boy moves to the Front Bench
and consults with hon. Ntimama)*

Mr. Speaker, Sir, can the hon. Juma Boy Juma, maintain dignity in this House by consulting with his colleagues quietly, and not on top of his voice?

Mr. Speaker: Are you on a point of order?

Prof. Anyang'-Nyong'o: Yes, Mr. Speaker, Sir.

Mr. Speaker: That is classic. Proceed.

Prof. Anyang'-Nyong'o: Thank you very much, Mr. Speaker, Sir. The case with Bruce House, so called "investments" on LR209/6776 is yet another case where the National Social Security Fund (NSSF) used workers' money in an investment that was questionable. Bruce House was purchased at a price of Kshs470 million. The Fund assumed that they will be receiving rent at a rate of 15 per cent per annum of the cost price of Bruce House. This would have meant a rent of approximately Kshs5,875,000 per month being received by the NSSF. In reality, however, the rent that the NSSF ended up receiving, was Kshs2,953,000 in the years 1992 and 1993, instead of Kshs5,875,000. This meant that the Fund had under estimated. In fact, it had miscalculated what it could get from

this investment by a figure of close to Kshs2 million per month. Now if the Fund had put this amount of money on short-term fixed deposit at an interest rate of 17 per cent per annum, which was prevailing then, the Fund would have realised Kshs6,658,000 in terms of interests per month, instead of the rent that they got which was Kshs2.9 million. In reality, the Fund was losing close to Kshs4 million a month by buying Bruce House then, instead of putting this money in a fixed deposit account on a short term basis.

Mr. Speaker, Sir, we are not compelling the Fund that they must always put money in a fixed deposit account, but we are telling the Fund that when they are calculating what they are going to get per month in terms of investing workers' money, then they should invest it where there are most comparative advantage. In this regard, putting the money in a fixed deposit account had a higher advantage than buying Bruce House, at that price and with that kind of rent.

To add insult to injury, the lawyers again were paid a legal fees of Kshs4.7 million without reference to the Advocates Act.

The Controller and Auditor-General, Mr. Speaker, Sir--

The Assistant Minister for State, Office of the President (Mr. Sunkuli): On a point of order, Mr. Speaker, Sir. I am really struggling to look at the Advocates Act. Could the hon. Member be kind enough to tell us what provisions of the Advocates Act, he is saying were flouted?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I believe that hon. Sunkuli is a lawyer and should have been conversant with the Advocates Act and should know that when you are calculating the legal fees, there is provision in the Advocates Act which tells you how to calculate what amount of money you are going to pay in terms of legal fees. Secondly, the Advocates' Act tells you that when the fees is above a certain amount, you should refer it to the tax man for calculation. All this was not done and, I think as a lawyer you should have been conversant with that rather than using this Parliament as a library.

Mr. Speaker, Sir, plot LR No.209/6708 Monrovia/ Moktar Daddar Streets. Here is a situation again where the Fund bought land worth Kshs177 million under the pretext that this land was going to be used for development for building supermarkets, departmental stores and so on. The Fund, however, had no plans whatsoever at that material time to undertake this development. When the Committee asked the Fund to put before it plans for this kind of development, there was nothing and yet, the reason given to Board for purchasing this land was that it was going to be used for development. This was Kshs177 million put in a land which was supposed to be for development where there was no plan for that development and where the money was sunk whereas the money could have been earning good interest again in a fixed deposit account somewhere else. As in previous cases, excess legal fees of Kshs21 million was unjustifiably paid to Messrs Onalo and Company Advocates in this case. The Board was not asked about this and indeed, the Auditor-General (Corporations) raised issues about this and we, in our recommendations have asked the Attorney-General to find out exactly what led to the payment of Kshs21 million excess legal fees to the lawyers.

Mr. Speaker, Sir, with regard to lawyers, architects and engineers who serve as consultants to parastatals, there must be in our Government a regulation that says, that professional fees are paid at certain rates. It cannot be left to the whims and sentiments of Chief Executives, otherwise, it becomes a very cynical and sinister way by which public funds are pirated through the professionals and in which the professionals in general get a bad name in the public because they are being used as conduits for corruption.

Mr. Speaker, Sir, professions must have professional ethics and they must not in any way, be brought down to the abyss of corruption and be used by those in power to conduit money, so that this money reaches the pockets of others. I believe that when these lawyers get these millions and millions of Shillings, it just ends in their pockets. I think, there is a conduit through professional fees for this money to end somewhere and this House pleads with the Government that this kind of practice be put to end by following laid down procedures, regulations and the laws of the Republic of Kenya. And, that those laws should not just exist in books but they should exist in the spirit of governing this nation as well.

Mr. Speaker, Sir, the other case concerns the National Bank of Kenya. In 1991/92, the National Social Security Fund deposited in the National Bank of Kenya a total of Kshs2.025 billion in various fixed deposit accounts in the same bank. When this money was mature for withdrawal, and those in the financial world should know what maturity for withdrawal means; it means that if you have a fixed deposit account for six months, and it is six months and you want to get it, you as a depositor has the right to get that money. If you have put it on short-term call, you can call it when you wish because that is what the contract is. When this money was mature for withdrawal, the National Bank of Kenya could not honour its obligations. An agreement was therefore, arrived at which was irregular both in fiscal ethics and otherwise, to convert this money into some kind of equity in the National Bank of Kenya. If the National Bank of Kenya is going to sell shares as a public Company, it should do so by issuing shares in the Stock Exchange. But, if it is going to use one arm of the Government to bail it out of a financial mess, that should come to

Parliament first, so that Parliament can approve the use of public funds to bail out another parastatal. In as much as when Kenya Airways wanted its liability to be assumed by the public, the law says that the Government should bring a Sessional Paper to this National Assembly for it to approve. But, the Government has no authority whatsoever, to sanction the conversion of money in a fixed deposit account into equity for any bank without approval by Parliament. In this regard, the Committee takes gross exception for what happened. It is not because the Committee does not want this country to have a strong National Bank of Kenya, but that National Bank of Kenya should set examples to the other banks by behaving properly and looking after funds properly. The last thing the National Bank of Kenya should do is not to honour workers money put there on a fixed deposit account, and that when the National Social Security Fund wants that money, it is not available. Then, it is converted into equity illegally, because what should have been done is; that money should have been loaned to the National Bank of Kenya and the National Bank of Kenya pays interest to the National Social Security Fund.

Mr. Speaker, Sir, when this House does get its fist which I believe it does not have at the moment, it will force investigations into such things so that public monies are not used to bail out public institutions which have been run down by the "Somaia" of this world. Because in this case what happened as we know, that the deal with the taxes and so on had gone sour and the National Bank of Kenya could not get its money from Somaia and it had to get its money from the National Social Security Fund on the Hill; workers money. This is an illegality and a defrauding of the public that this House will not stand.

The other case, Mr. Speaker, Sir, is the collapsed financial institutions. The Public Investments Committee following what the Public Corporations Act says and following the Exchequer and Audit Act - and these are not laws of our making, we are there to implement them, notes that parastatals are requested first and foremost to invest surplus funds in Treasury Bonds or established banks. This is precisely because the Government was aware that there are some "fly-by-night banks" which come up and go the next day, which can go down with substantial public funds. The National Social Security Fund however, by 1993 had invested a total of Kshs1.245 billion in only five banks, which collapsed. The banks and the amounts which were invested are as follows:-

Trade Bank	- Kshs196 million
Nairobi Finance Corporation	- Kshs 5million
Post Bank Credit Limited	- Kshs954.9 million
Central Finance	- Kshs2.97 million
Middle Africa Finance	- Kshs4.8 million

In other words, Post Bank Credit Limited got the lions share of Kshs954.9 million and went under with that money. This was irregular. Now, this House would like to know from the Ministry of Finance, this Kshs954.9 million that the Post Bank Credit got, where did it go? How was it used? How come the Post Bank Credit got so much from the National Social Security Fund and collapsed? You do not get so much money and you collapse! Unless you give that money to he who cannot pay, or he or she who took with no intention to pay, and this was the case.

What this nation wants to know and the Committee did not have time to do it, is to know the persons who put their fingers into the till of the Post Bank Credit Limited and went away with Kshs954.9 million of workers money from the NSSF, which led to the collapse of Post Bank Credit Limited and the gross indebtedness of the NSSF and the ruination of pensioners. Because, with Kshs954.9 million which could by now have earned tremendous interest for NSSF, you can understand how many poor Kenyans who are supposed to receive pensions and who are not getting these pensions because of corruption and mismanagement on the other side of the House. And, these people call themselves honourable. I would not like to share the title honourable with the likes of these people. Because Kenyans are paining, Kenyans are hurt and we have said it too long in this House without something happening; the heavens will come down on this nation if the poor man who pays money everyday to National Social Security Fund is not listened to.

Mr. Speaker, Sir, the Committee has recommended--- We know that the Consolidated Bank consolidated all these things, but our recommendation is not to stop at the futility of the Consolidated Bank. Our recommendation is that we should go into the details of this mismanagement of public funds with a truth commission and bring the offenders to justice. Because, those who have worked for 55 years of their lives or so, and saved so painfully, should be paid back their dues. This is the reason why in the final analysis, the Public Investments Committee asked the National Social Security Fund to give us their investment portfolio, so that we can see the rationality by which NSSF bases its investments.

When we asked for this investment portfolio, we found that 60 per cent of public funds owned by the National Social Security Fund are invested in land contrary to what the case should be, which is that the NSSF should not invest more than 20 per cent of its investment portfolio in land. And, so the last case that I want to refer to in the case of the NSSF is the investment in certain pieces of land, the information which the Public Investments Committee

(PIC) asked and the information which the Permanent Secretary in the Ministry of Lands and Settlement declined to give.

And I would like to draw the attention of the House to this matter because it infringes on the Powers and Privileges Act and it also infringes on what the Government actually should stand for because no Government can justify its existence by injuring its own people. There is no Government which can seek legitimacy by injuring its own people. A Government seeks legitimacy by promoting the common good and the happiness of the greatest number of the citizenry.

In this case, the Public Investments Committee requested the Permanent Secretary in the Ministry of Lands and Settlement through the Permanent Secretary in the Ministry of Labour and Manpower Development, to carry out a valuation of the 48 pieces of land that it had bought and provide their market prices at the time of purchase by the National Social Security Fund. There was great resistance on the part of the PS and the Managing Trustee. What we found was only evidence on eight pieces of land which I would like to read for record because they illustrate the disparity between the market price of land and the amount of money that the National Social Security Fund paid.

Plot No. 20910662 in Hospital Hill, Nairobi, was bought at Kshs35 million when the market price was Kshs17.5 million. A quick arithmetic will show you that the Fund paid more than Kshs17 million above the value of that land. In other words, the fund paid double the market price of that land. Plot No. 209/10666, again in Hospital Hill Nairobi, its market price at the time of sale was Kshs7 million and the Fund paid Kshs30 million. Another valuation overpayment of more than Kshs23 million. Plot LR. No. 209/324/2 Lenana Road Nairobi; its market price was Kshs7.5 million and the Fund paid Kshs13 million. Again the Fund paid double the market price of that piece of land.

Plot LR. No. 209/324/3 on Lenana Road, Nairobi --- This is mind-boggling since the Fund paid Kshs183,940,955.05 when the market price was Kshs21 million. LR. No.209/7034 and 209/7034. These are series of plots on Bishop Road, Nairobi, whose market price at the time of sale was Kshs800 million and the Fund paid Kshs4.3 billion. As for LR. No. 98/73 in BelleVue Nairobi, the market price was Kshs150 million and the Fund this time became a gentleman or a "gentlewoman" and paid Kshs150 million. We are very fair in the Committee. Where you do something right, we say that is correct. This was correct but it is one in 48. I think there are three cases here where the Fund paid the correct market prices. These are LR Nos 1149 sub-divided into several plots in Mombasa, whose market price was Kshs220 million and the Fund got a bargain and paid Kshs215 million and saved the Fund Kshs5 million. It means that they can do correct things when they want. Again there is LR No.209/12341 and four others also in Mombasa, whose market price was Kshs225 million and the Fund paid Kshs225 million. Apparently as the Fund moves towards Mombasa, it begins to be honest. There is something about the Coast that moves the Fund to honesty. I do not know but anyway, I have in this presentation, schedule cases where millions and millions of shillings have been wasted by the Fund in this respect. What did the Committee recommend?

The Committee was greatly perturbed by this behaviour by the Fund but the Committee was even more perturbed by the fact that the Ministry of Lands and Settlement Permanent Secretary tried to block evidence coming to this House contrary to the National Assembly's Powers and Privileges Act. That Powers and Privileges Act says quite clearly that:

"Except upon the direction of the President, no public officer shall refuse,

(i) to produce before the Assembly or a Committee any paper, book, record or documents or,

(ii) give evidence before the Assembly or a Committee except with the permission of the President".

The PS in the Ministry of Lands and Settlement never told us that the President instructed him not to give that evidence but he went ahead to block evidence nonetheless. It is absolutely clear that when the Permanent Secretary in the Ministry of Lands and Settlement and the Commissioner of Lands appeared before the Committee, that they were engaged in a conspiracy of silence and deliberate evasion of the questions put to them. The Committee, therefore, directed that the Permanent Secretary in the Ministry of Lands and Settlement provides valuation of the remaining pieces of land to the Auditor-General(Corporations) for verification by the 29th May 1996 and, I hope he has done so. That, the Permanent Secretary in the Ministry of Lands and Settlement and the Commissioner of Lands should be prosecuted for blocking evidence to the Committee.

The Committee recommends that having displayed profound lack of integrity, the Permanent Secretary in the Ministry of Lands, Mr. J. Sang and the Commissioner of Lands, Mr. W. Gachanja, should be banned from holding public office. The Committee further recommends that one, the National Social Security Fund Act should be amended so that the Board of Trustees membership reflects equitable representation of workers, employers, professional bodies like banks, insurance companies and so on and the Government in order to avoid the current over-representation of the Government in the Board of Trustees. In actual fact, the Government does not need to be represented on the NSSF Board. It does not!

[Mr. Speaker left the chair]

[Mr. Deputy Speaker took the chair]

The Government can set up its own machinery in which the National Social Security Fund (NSSF) Board of Directors is represented. The position should be the other way round, especially if you are serious about privatisation. The Board of Trustees should be composed of people with proven public record of integrity, honesty and strength of character in order to protect the interests of workers. The Committee is convinced that the Board of Trustees, as presently constituted, can hardly pride itself of having men and women of integrity and strength of character. This is because things go wrong year-in-year-out but they have no temerity whatsoever to come up, resign and say that the Board is being controlled from elsewhere, which is actually the case. Thirdly, the Fund should suspend all land and building transactions with immediate effect until a new Board, so constituted, formulates a thorough and economically more viable investment strategy.

QUORUM

The Assistant Minister for Local Government (Dr. Wameyo): On a point of order, Mr. Deputy Speaker, Sir. The House has no quorum.

Mr. Deputy Speaker: That is true. I direct that the Division Bell be rung.

(The Division Bell was rung)

Mr. Deputy Speaker: Order! We have a quorum and Prof. Anyang'-Nyong'o may continue. **Prof. Anyang'-Nyong'o:** Mr. Deputy Speaker, Sir, I am just about to finish, but I am happy that the Minister for Finance is now here because this is his baby. I will only refer to about two more parastatals and then leave it to hon. Mutere to second the Motion.

Last time I was talking about irregular procurement of the expansion of phase two of Nzoia Sugar Company (NSC). Before I go further, let me say that there have been reports in the newspapers about the ruination of the sugar industry. I must thank the Minister for Agriculture, Livestock Development and Marketing for drawing the attention of the Government, the other day, to the fact that the domestic sugar industry will not survive unless illegal importation of sugar is stopped. This is sugar that passes through here destined for Uganda, Sudan or Rwanda ends up being sold in the local market without customs duty being paid for it. We know that there are two key individuals at the Coast who are responsible for this situation. Whether or not people want to say that we are using the privileges of the House to malign other people, let them know that facts are facts and individuals are known by their names. There is a Mr. Ali Taib of M/s Kenya Auto, and another man called Subeidi Adamidas. These are two Mombasa-based racketeers who are masterminding this illegal importation of sugar. We would like the Attorney-General and the long arm of the law to deal with these people. We cannot have the Minister for Agriculture, Livestock Development and Marketing crying to the nation when the nation knows the individuals who are involved in this affair. If Mr. Ali Taib and Subeidi Adamidas are not involved in this affair, let the Government say so by investigating the matter thoroughly. But those of us who are concerned about saving the sugar industry will not stop mentioning individuals who are illegally importing sugar, which is supposedly destined for Uganda, Sudan and so on, but which is illegally sold here.

Mr. Deputy Speaker, Sir, the problem with phase two of Nzoia Sugar Mills was not just that it was irregular, but there were no open tenders. Open tenders were not invited for that expansion. M/s Arkel International, which got a tender to do it, was the same company that had done the feasibility study. This was wrong. The Attorney-General wrote to the then Minister for Agriculture and told him that a company that does a feasibility study cannot be the same one which gets the tender to implement the same feasibility study. This is illegal. This was not fair. You do not do a feasibility study and write yourself into implementing it. This is also economic incest. The then Minister for Agriculture, Mr. Mwangale, totally disregarded the Attorney-General's advice and went ahead to sign the agreement that landed the NSC and our economy into trouble. Mr. Mwangale, in conjunction with the then Permanent Secretary for Agriculture, Dr. Koinange, the Permanent Secretary to the Treasury, Mr. Mbindyo, and the Chairman of the NSC Board of Directors, Mr. Wafula, must be held responsible for putting the NSC into trouble and ruining this economy, which led to loss of millions of Shillings and the stagnation of NSC.

The Inter-Ministerial Committee that was constituted recommended that the Attorney-General should institute a thorough investigation into the NSC/Arkel affair. In the mean time Messrs Mwangale, Koinange, Mbindyo, Wafula, Eshitemi and Wabuke, all of whom were involved in this affair, should be banned from holding any public office in the Republic of Kenya. We made this stern recommendation so that these practices can be brought to an end. It is no need for individuals to ruin parastatals and the next day you hear they have been appointed ambassadors. Who do

they represent in foreign lands? Do they go to represent Kenyans or their fellow thieves? The Government should take our recommendations very seriously.

The Committee further recommends that the Government should, before 30th June, 1996, come up with a clear policy on the implementation of turn-key projects. Turn-key projects have been having a problem in this country. We will ask the Minister for Finance to Table here a Cabinet Paper which will spell out a clear policy on turn-key projects. We do not want any more turn-key projects like the NSC, the molasses plant, the Ken-Ren project and so on. We have had too many of these turn-key projects simply because this Government does not have clear policy on them.

Prof. Anyang'-Nyong'o: The Committee further recommends that Arkel International Inc. which was involved in this shoddy deal should be black-listed and proper legal proceedings taken against it both in Kenya and in the United States of America under the 1977, Foreign Corrupt Practices Act of the US; which deals with off-shore bribery and other economic crimes by US companies. The American Government has an Act which is called the 1977 Foreign Corrupt Practices Act, which the Kenya Government should invoke in order to compel the American Government to bring Arkel International to court to answer questions for underwriting crimes and corruption in this country.

I would like the House to read very carefully, the Inter Ministerial Committee Report which is contained in this Sixth Report, between pages 246-277 to see how the Government Ministries themselves which were involved in this inquiry have concurred with the Committee's recommendations. I would like the Government not to take itself for a ride by adopting this Report, but not implementing its recommendations.

Finally, because I would like hon. Mutere to come and second the Motion, I want to come to the issue of the Nyayo Tea Zones Corporation. This is another disaster awaiting to hit the Kenyan taxpayer like a bomb shell. When the Nyayo Tea Zones Corporation was established, the noble aim of expanding tea production was indeed, welcomed by some Kenyans. But when the Corporation ended up defrauding Kenyans of forest produce, it became an albatross around the neck of the taxpayers. The former Chief Executive, Mr. Amos Bore was trying very much to co-operate with the Committee in bringing some of these matters to be ironed out. I am afraid that the present Chief Executive, Mr. Julius Sigei is not doing as good a job as Mr. Bore was doing. But that is a matter that the present PIC will handle. I will confine myself only with the case of the forestry produce that the Corporation did not handle properly. In this Report, I do not want to go into details. There is a case where the forestry produce, that is trees that were cut down and which were meant to be sold so that money is realised for the Corporation. That money was fraudulently taken by officials of the Nyayo Tea Zones Corporation. In our report to the Attorney-General, we will recommend that this matter be investigated and the money should be recovered because there is plenty of evidence that was received in the report, that could constitute a criminal investigation by the Attorney-General.

With those few remarks, I beg to move.

Mr. Mutere: Thank you very much Mr. Deputy Speaker, Sir, for giving me this opportunity to second this very important Motion.

First of all, I would like to thank the out-going Chairman of the PIC for the able manner in which he Chaired the Committee. I would like to assure him that, I will do a thorough job as the new Chairman because I have been in the Committee for sometime.

Having said that, I will go ahead and lay some foundation into the workings of this Committee which had already been mentioned by the out-going Chairman. This is as far as the deadline dates are concerned, with regard to the submission of the accounts for the audit and for onward transmission of those accounts to this House so that they can be passed over to the Committee for consideration. It is important to bring out this point because many a times, we have noted that there are certain Corporations that have fallen far behind the time schedules to which they were supposed to have submitted their accounts. According to our Acts, we have sections within the Exchequer and Audit Act by which penalties ought to be instituted. It appears that since these penalties have never been instituted, the various state Corporations have tended to ignore these provisions or that, there is sheer laxity with regard to the observance of the deadlines.

As the out-going Chairman has said, there are various State Corporations that had very outstanding and glaring mismanagement. I will only highlight some of them so that I can leave the others to other hon. Members who can do it. By so doing, I will be able to spend more time, next time when I will be presenting the present Committee's Report. I will start with the Kenya Airports Authority.

We have a case in the Kenya Airports Authority whereby there was a conflict of the execution of two Acts in which the Kenya Airports Authority was operating. There was the Kenya Airports Authority Act which was enacted to facilitate the operations of the Kenya Airports Authority and there was also the Passenger Air Services Act. When the Kenya Airports Authority was operating under these two Acts, there was a conflict with regard to the submission of the revenue. According to this specific query which we dealt with, there was an amount of Kshs613,000,095 which included a Passenger Air Service Charge amounting to Kshs369,999,000. Because of these conflicting operations of

the two Acts, it was difficult to allocate precisely which of these amounts were to be taken strictly as revenue to be submitted by the Authority to the Treasury. It was the Committee's recommendation, having taken evidence from the Chief Executive, that the Chief Executive should liaise with the parent Ministry, the Treasury and the Attorney-General with a view to harmonising the Kenya Airports Authority Act, Cap. 395 and the Air Passenger Services Act, Cap. 495 by 30th June, 1996. We gave a specific deadline because we realised that many a times, although some of these reports did contain specific recommendations, in the absence of deadlines, there was no accountability and one of the objectives of this Committee is to insist on the transparency and accountability by various state Corporations. So, we do believe that by the adoption of this report, these Ministries will immediately go ahead and implement the recommendations so that this Authority can function properly.

One of the areas which was observed also within the Kenya Airports Authority was an agreement which was reached between the Kenya Airports Authority and a Company by the name of House of Perfume.

Mr. Deputy Speaker, Sir, this House of Perfume is a company that is running the duty free facilities at the airport. An argument had been reached between the House of Perfume Company and the Kenya Government that they would lease these facilities for 10 years. But within that particular agreement, although the initial period was only 10 years, there were obvious omissions within that agreement which gave advantage to the company to be able to operate without necessarily being accountable to the Government. By virtue of that, we felt, as a Committee, that this particular loophole ought to be sealed up so that this agreement should be properly constituted. Having taken evidence from the Chief Executives, the Committee was dismayed to note that the argument between the Kenya Government and the House of Perfume Company, which is the duty free, had several flaws that could lead to loss of revenue for the Authority. The Committee took great exception in the haphazard manner in which the agreement was handled without due care or safeguard of the Authority's interests. The Committee was also informed that the Authority had re-negotiated the terms of the agreement after the Attorney-General advised that the original agreement was binding and legally enforceable. Here, the Committee felt very strongly that this agreement ought to be up-dated, so that the various loopholes that were in it could be sealed to ensure that the Authority's interests would be taken care of.

Mr. Deputy Speaker, Sir, one of the State Corporations which we thought we should highlight is the National Council for Science and Technology. One of their weaknesses was that they did not observe the budgetary controls. In any business, budgetary control is very important because you have, in advance, to estimate what your operational costs are going to be, what the possible revenue is going to accrue from those operations and within that, to be able to operate within those budgets. But what did happen, as far as this Corporation is concerned, is that, there were some flaws in controlling the budget. One of the glaring examples [**Mr. Mutere**] is the situation whereby, within their budget, they had budgeted that they were going to spend Kshs5 million for the renovation and partitioning of office accommodation which they had acquired here in town. When it came to the actual implementation of the project, it will be interesting to note--- and this is where we felt that there was outright corruption and collusion between the contractor and the Chief Executive of this organisation. The figures suddenly rose from Kshs5,388,520 to Kshs26,946,467 by 30th June, 1993. You can clearly see that here was a case of outright corruption, where the budget says you are supposed to spend only Kshs5 million and you go ahead and spend Kshs26 million. The Committee took very strong exception to this particular act and made specific recommendations to the effect that the Permanent Secretary of the Ministry of Research, Technical Training and Technology, should immediately constitute an Inter-Ministerial Committee comprising of the Treasury, Attorney-General's Chambers, Criminal Investigation Department (CID) and Auditor-General (Corporations) in order to look into the issue of partitioning of the offices and the propriety of the Council spending Kshs26,946,467 for office partition instead of purchasing its own headquarters facility. Definitely, under normal, simple economic logic, it would have made more sense for this Corporation to spend as much as Kshs26 million to have its own headquarters rather than go and renovate somebody else's premises. You spend Kshs26 million, with a lease of just about five years or so. In fact, at the time when we visited the facility, we were told that, actually, the lease had expired or was just about to expire. We felt that this was one of those cases that definitely needed to be looked into by the Attorney-General with the possibility of instituting criminal investigation as appropriate.

Mr. Deputy Speaker, Sir, another Corporation that we felt had gone over-board with regard to its mismanagement was the Kenya Tea Development Authority (KTDA). Here, we had a case of various factories which had been recommended for renovation, but it is another case of exorbitant expenditure totalling Kshs622,593,122, which was incurred as at 30th June, 1993 for the construction of four factories which, originally, had been estimated to cost only Kshs491,480,166. You can see that because of laxity of the budgetary control, not only was there over-expenditure in this particular institution, but during our evidence, it occurred that there was some collusion between the officers of the organisation and the contractors, with regard to the variation of prices. This is an area which needs to be looked into very carefully, because many at times, some of the organisations start off with a

very reasonable minimal budget, which is convincing for the start of the project. But no sooner does the project start than you have the same officers coming back and saying that they do want a variation of prices and some of these variations are so exorbitant that you wonder whether the original prices that had been given were really genuine or whether they were just meant to be a salesmanship gimmick to get the project accepted as a conduit to overspending. This practice must stop. With regard to this specific one, the Committee recommended that the Permanent Secretary of the parent Ministry, the Minister for Public Works and Housing and the Office of the President should be held responsible for all the extra expenditure incurred by the Authority in the construction of the said four factories.

Mr. Deputy Speaker, Sir, by the time we were making these recommendations, we were making them upon the verbal and documentary evidence that was presented to the Committee. Through evaluation of that evidence, we would make these recommendations believing that, as we now recommend them to the House for adoption, they will be adopted and that eventually they will be implemented for promotion of efficiency in the management of State Corporations and hence in the management of public investments. That is as far as KTDA is concerned.

There is also the issue of Kenya Industrial Estates whereby there were cases of misapplication of funds in terms of investments and also cases where some factories were sold at prices much lower than the prevailing market prices. The basic motive for these public institutions is that they should be run efficiently to the extent that they make money to be reinvested and for further development, but if you find cases where, instead of property being sold at the current market prices, they are sold at prices much lower, then definitely questions arise as to the honesty of the managers that are running those State Corporations.

The Committee took a very serious view, particularly with the budgetary control measures, investment of the surplus funds as had already been elaborated by my predecessor with regard to NSSF and some of the State Corporations and also as regards to the total cost control mechanism. It is the view of the Committee that if the State Corporations, particularly the strategic ones, will continue to operate under the State Corporations Act, and if they have to run efficiently, then we need competent people who will be committed to ensuring that all the business practices are observed in the management of these corporations.

In conclusion, because I do not want to take too much time, because I want to leave some time to my colleagues, I just want to say that when we met the "Big Five", we were very forthright in what we felt should be done with regard to the restructuring of some of the State Corporations. There were several proposals that have already been submitted to the Treasury, but unfortunately, up to the time that we were considering some of these reports, no action had as yet been taken by the Treasury. It was a very strong feeling of the Committee that Treasury should help these State Corporations by hastening the restructuring process so that then if they are put in place, many questions that were arising as audit queries will be solved. That is one of the many recommendations that we gave to the "Big Five", and we do believe that, since they are all incorporated in this document, with the adoption of this Report, which I believe the house is going to do, there will be better management of the State Corporations.

With those few remarks, I beg to support.

(Question proposed)

Mr. Nthenge: Thank you, Mr. Deputy Speaker, Sir, for giving me this chance. I do not have much to say, but I hope that you will tell me to stop, if I take too long.

Our State Corporations have existed for a long time. The running of these State Corporations can be alright, if we observe a number of things. Our main problem has been what I call mismanagement of these State Corporations. When a good State Corporation is mismanaged it becomes bad. One of the mistakes we make is that instead of employing people into these State Corporations on the basis of merit, we consider other things which do not matter in that field of management. If we want a person to run business that has to do with accounts, we should not look at his outward appearance. What we should go for is his credibility in this area so that we get a person who can manage the finances of State Corporations properly. If we go for outward appearance, then we are bound to mismanage our State Corporations.

I am sorry to say that since we got Independence, 33 years ago or thereabout, we have been ignoring merit and that is why you find that our standards are falling. I was one of the few people who went to Britain to seek for our Independence. Our idea was to improve services in our country, but when we came back, we put emphasis on wrong areas. We started ignoring merit. We get headmasters to head schools because they our friends, they are good looking, are related to us or are wealthy. We consider qualities that do not matter instead of looking for competent headmasters. Because of considering these factors, such schools are bound to go down.

Things have not only gone wrong in these organizations, but also in almost every other area. I am ashamed when I see standards declining every day. If you go to a place which used to be clean, you will find that now it is very dirty. A good example is the Nairobi City Market. It is a walking distance from here. There used to be toilets for

Europeans, Asians and for Africans, and they were all clean. If you go there now, the toilets which used to be very clean are now awful. They are dirty. This is happening not because the Europeans took anything with them when they left this country, but because of negligence. They left everything intact. It is not because we do not have people to wash them. In fact, we have increased the number of workers. When the City Council was told to increase the number of workers, they got very many people to clean but these people do not do the cleaning. Why is this? This is because when we employ cleaners, we do not consider those who can clean. We only consider how much they have tipped or corrupted us, how they look like and our relationship with them. All these things which do not matter make us forget what actually matters. Let me give an example of something which is near to us and we can see it. Every Friday, the whole market used to be washed by hot water until it was spotless clean. Now, we have more staff to clean and more staff for administration, but all they are interested in is what they are paid, and not the service they give. The standards are so low that the place is dirty.

Mr. Deputy Speaker, Sir, we do not have to go far. Let us take this road near us, that is Parliament Road which was left by the British. Next, let us go to Kenyatta Avenue, which used to be Delamare Avenue. Those roads were there and we inherited them from the British. Now, you find holes and spots on them which exist in roads which have been given up. Why is that? This is because the money which used to be kept aside every month for maintaining the roads is stolen. I would like to warn the people of Kenya not to use magendo or corruption. It is theft. Whenever you take something which does not belong to you, but belongs to another person, and you use it for another purpose, what else are you other than a thief? They are thieves, whether they are Ministers, Members of Parliament or whether they have 20 degrees. No matter who you are, you are a thief. Hii ni magendo tu! We are becoming thieves, and that is why our standards are becoming low. We are becoming corrupt, and that is why our standards are getting lower.

Therefore, what I am saying is that when we appoint, instead of appointing a person like hon. Osogo because he is a thinker, intelligent and he can do the job well, I go ahead and appoint my brother-in-law who is dull and he spoils the job. Why is that? This is because hon. Osogo comes from Busia and, thus, very far from my home. Yet, I know he is the most correct person to head that organisation. Then, when I appoint the next person, I look for a weak person who can never argue with me. How does a fool argue with a fool? He has no ideas. I do not want those who are bright with ideas. This is because they will argue with me. So, instead of appointing a person who has wonderful ideas to improve the organisation, I go near my home and appoint a third-rate man or woman to be a member of that organisation. We are looking for brains and ability to manage. Now, can a fool manage anything well? It is not their fault. They are born like that. We cannot blame them. But why do you give them responsibility which they cannot carry?

Mr. Deputy Speaker, Sir, you cannot employ a child of ten years to carry sugar bags. That child will die. He cannot do it. You have got to look for an adult who can put a bag on his back and carry it. A person like hon. Mudavadi is a man with the right age. He is not too young and he is not too old. He can manage to carry a bag. When you want to off-load sugar from lorries, you cannot employ children of ten to 12 years. They cannot carry the bags. When they fail to carry them, you say it is too bad and give excuses like the ones we are getting here daily.

Mr. Deputy Speaker, Sir, can we change our policy from: "I and my little group to gain", to: "My nation to gain?" This is because there is nothing greater which you can be proud of than your nation. If the hospitals are very good, your grandmother, father, yourself and others will go there. So, it benefits the nation, including yourself. When the roads are wonderful, you leave here for North Eastern and reach there within three hours because the roads are good. However, because of the fact that you have stolen the money which was to make the roads, you will have a bad road when you want to use it. This is because you have stolen the money to improve it.

Therefore, my argument is that we go back to our drawing boards and check where we made mistakes. I am sorry to say this: We, the former leaders during the change-over, are the ones who started corruption. This is because most of us were not rich. In fact, I was richer than most of them. What happened is that they all got bribed. Then, it became a fashion. Can we stop this fashion of being rich? Sometimes, when I know somebody called Mr. Godana is very good to lecture in a university, I am not going to appoint him. Why is that? Because he has not given me anything. Am I looking for something or am I looking for a lecturer? If it is Mr. Godana, I do not have to know his mother or father. What I should know is: Can he do the job well? That is what we should be doing.

Mr. Deputy Speaker, Sir, since we started becoming mayors of this city, and Ministers of this Government, who can say they have never been bribed? If you are going to be bribed, and you are the head, what are you teaching your juniors? Are you teaching them to be honest? They will copy you. This is because I am the leader and I pass water where it should not be passed and I tell my children not to do the same. You will be surprised they will be passing water where I do.

Therefore, when the leaders of 1962/63 started being enriched by the foreigners, then it became the fashion of this country. A person who matters must be very rich. That is why some of the people who are very learned are not

getting respect in their own country. If you went elsewhere, you will get a big job and you will be respected. That explains why the Mazruis of Kenya and so many other intellectuals have run away from this country. This is because once you say that there is a better way of doing something, you will be deemed as very critical. When you are not appreciated, what do you do? You go to the people who appreciate you.

Mr. Deputy Speaker, Sir, we have enough intellectuals to run our country well. Whenever something is introduced in this country, we go on questioning who did it. For example, when we found that university education was very well done, and all the boys and girls did not have a problem with university education, we wanted to find out who brought the idea. "Oh, it was Dr. Taita Toweet". We should not punish Dr. Toweet. People refused to collect the money which the students had borrowed. Instead of implementing this, they wanted to punish Dr. Toweet. Did they really punish Dr. Toweet or the nation? They are punishing the nation. You find people conducting Harambees which we had killed. It happened that Dr. Toweet by then, and even now, thought of a very wonderful thing. This is because he is also interested in academic work. He happens to be one of those people I know with five degrees, and he has never lived in a university. He has been studying as an hon. Member of Parliament and when he gets the first degree, he goes for the doctorate. This is because he has value for education. He knows that bright children need not come from rich families. He organised our education system in such a way that every child in Kenya, so long as he has got the brains, will go through the university without a problem. What happened? "Oh, is it Dr. Toweet's plan? Okay, we will see." They refused to collect money lent to the boys and girls in the universities. There are many of them still working and they have never paid a single cent of the money they borrowed and yet we had created a revolving fund.

Another mistake which this Government must stop is asking who did this and that or was that a Pokomo man, what was his name, was he a Permanent Secretary in the Ministry of Education and so on. Then let us spoil it even if it is working. We spoil it because it was started by a Pokomo man, we are fools! We do not look at who started projects or anything else, so long as it is good, let us adopt it. We are spending a lot of money on experimenting on things which had been set up by our predecessors which are functioning. We are saying that we are going to improve them, but why should we spend a lot of money improving them yet they are functioning? If a doctor has prescribed to you seven tablets a day and you are improving, he does not have to prescribe different tablets for you, but he will continue giving you these tablets.

So, my quarrel with this nation is that we respect wealth irrespective of how it has been amassed. If hon. Kirima and hon. Nthenge have stolen a lot of money and we are thugs, Nairobi people will say these are great people so that we give them money. Instead, they should call us thieves and have nothing to do with us. Respect a person who is a gentleman or a good lady, somebody honest and so on, but not just to follow us because we have money. The criteria of judging a man on his wealth is wrong. According to the Bible, it is written that it is easy for the camel to go through the eye of a needle than a rich man to go to heaven. It means that a rich man has problems in going to heaven because he amassed wealth through dubious means. Although I have been laughed at by people saying that I used to be a "rich boy" in 1950s, but today I am owning a small car. I am happier when I run a small car honestly bought than those who are having big cars and a number of body guards. Why are you being body-guarded? Are you an antelope? Some of them are like antelope and they fear to be shot. People are hunting for them because they have done a lot of injustice to this nation. If the Minister for Local Government appoints me today to become a councillor, the first thing I would be interested in is how to get a plot and sell it. Did he appoint me to be a thief, enrich myself, or make that council a better place? We are weak in our deeds!

I am appealing to this nation to change its policy, go for quality, merits and accept whatever belongs to all of us and benefit everybody in the nation. For example, Kenyatta National Hospital used to be a wonderful hospital, today it has deteriorated and not a single hon. Member of this House other than hon. Nthenge who can go for treatment there. Standards of this hospital are deteriorating on daily basis, yet at the pace we were moving on, that would be the place when you hear a great man is sick, you know he must be at Kenyatta National Hospital. Now, we go to private hospitals which are managed by foreigners like Nairobi Hospital, Mater Hospital, MP Shah Hospital and so on, because they are better managed. Those people are not better qualified than our people. On the contrary, some of the best doctors in those hospitals are Africans. But once they are given a place to manage, they mismanage it because, even if we want to employ a sweeper, we are not employing the best sweeper, but we employ our brothers, cousins, relatives, or those who have bribed us. These are not the things we should be considering when employing people in different sectors.

These corporations were started with a good purpose, but we are spoiling them by employing unqualified people. Thank God that I have never been a top leader. If I become a top leader of this country, I will check what other Governments do. I am not going to lead a Government of thugs.

We are stealing even from the Treasury because we want to visit hon. So-and-So's constituency so that we give a lot of money and appear great. Money for development should be by taxation alone. The biggest and richest

countries in the world do not run their national developments on Harambee. Harambee is wrong for national affairs, it can only be right if we are raising funds for hon. Kariuki alone because he is an individual and we can contribute for him. On the other hand, we may find that he is only sick and, therefore, he belongs to Government and we should treat him as a Government officer. We are like a corporation or an insurance. Hon. Kariuki happens to belong to us as a nationalist, therefore, when he is sick, we should get concerned. Harambee is wrong! Maybe, we can build churches and mosques by Harambee, but for the house of the DO, school and so on, we should use taxes. These are the mistakes we are making. If you are in charge of a corporation, So-and-So will come to you saying that he has a Harambee which is going to be presided over by the President, how much will you give? So, they ended up stealing money and say it was Harambee money. That is stealing. Corporations should be run well and give money to Treasury like what the Central Bank of Kenya did the other day. Give it to hon. Mudavadi to give to Treasury so that everybody in the country can benefit. We are running our Government as if we are the first Government in the world to do things primitively. We are doing things not only by making mistakes in a primitive manner and yet we are well-educated. It is not the time when we had problem of getting people with degrees. Even in this House, some of us can lecture in any university in the world. We have the manpower, but the policy is the wrong one.

Kenyans are in a position to seek for a post in the United Nations Organisation (UNO). We can even vie for the seat of the Secretary General of UNO, we have learned lawyers and so on. But because of our weaknesses, if the learned man is not related to you or not from your area and so on, I am not going to recommend him.

When Kipchoge Keino ran and won medals, Kenya got a good name. He was not from my home, but because he is a Kenyan and he was running for this nation, we got a wonderful name in the world.

We went to State House for a party, when the medals were being given out, everybody was quiet, but when Mr. Kipchoge Keino was called upon to receive his medal, we all cheered up because we knew he deserved it. When are we going to develop these national interests to avoid spoiling everything so that the nation gets a good name?

I am saying that these corporations should not be double taxed by donating Harambee money. The Harambee business is ruining the corporations. That is not what we should be doing, but we should ask them to plan well and give the money to the Minister of Finance. Let all the people who are willing to give the money remit it to the Minister, who in turn would give to the nation by rendering services, such that every Ministry gets a share of that money.

Mr. Deputy Speaker, Sir, do you know that now we are in a mess in this country? I thought it was only Nairobi that is affected by the issue of street children, but when I went to Eldoret and other big towns, I saw a lot of children who have dropped from school. What are we developing? Some of you are educationists and you know that if you do not correct a child who is messing around, after 10 years, the child who was seven years, but he is now 17 years old, and after another 10 years, that child will be 27 years old. What is he going to be other than a thief? These street children are in every corner and when you stop your car, there is a child or two demanding money from you. We know the problem. These street children should be arrested and taken to approved schools to be trained in various skills so as to make them self-reliant. Those who are not good in formal education, should be taught trade and they will either become painters, tailors, masons and so on. But now we are leaving them, as if we have nothing to offer them. Are we going to develop two classes of citizens, the ignored ones, prepared to be torturing the country later and those who are cared for?

The issue of street children initially did not scare us, because they were so few. But now they are so many that even from outstanding homes, the children are running away to join the others in the street because human nature is very fond of following the others. They come with sweet things which entice your child to abandon school to become a beggar like the others. I have seen them around the City Market where I work. They come and take out their good shoes and wear tattered shoes and look ordinary, and in the evening when they are going home, they change their clothes and shoes. You can see that the influence is growing up daily even to the respectable homes.

Mr. Deputy Speaker, Sir, when the issue of taking drugs and smoking was affecting the poor alone, it did not worry seniors, educationists and the wealthy-to-do. Do you know that their children have also become drug addicts and, therefore, it is worrying them? Therefore, let us do things without committing these mistakes.

I do not want to dwell on this Motion for long, but only to touch on a few things mainly to guide the nation. On whatever we start, let us, first of all, accept good management, and qualified personnel for the job. I do not want to continue very much and I leave the details to be done by the learned scholars, like Dr. Kituyi, Mr. Wetangula and so on. They will go to the details, but I am talking on policy.

(Applause)

So, let them deal with the details and I have a lot of scholars. But let us change the policy from "I" to "we". I do not care whether you are a Maragoli or a Mluhya, but as long as you are a Kenyan, you are a Kenyan. Let us

have Kenyans and do things for them. We are here, not as Members to concentrate on our constituencies only. We are hon. Members of the National Assembly. So, whatever is happening at the border concerns me and whatever is happening in the other border of Kenya concerns me, and you too. Therefore, I want the policy to be changed to "we" and manage our affairs well. Now, we do not have shortage of personnel and, on the contrary, we might even soon start exporting brains to other countries. But before we export too much, let us utilize our own brains here.

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

(Applause)

Mr. Sankori: Mr. Deputy Speaker, Sir, I would like to thank the Members of the PIC for the very good Report that they have presented to this House. Definitely, if we go by their Report with a few amendments, I am sure this country would go a long way to be a better country in the future. Unfortunately, it is not fair for anybody here or elsewhere to pretend to be as white as snow. All of us have got a black dot somewhere. Kenya has got a culture which we must actually change, and this is the culture of hatred and mistrust. All these are within us and we must actually get it out especially, we, as leaders.

When we talk of Harambee, yes, it is we leaders who go for those Harambee, and it is done on a voluntary basis. Africans have been conducting Harambee since time immemorial. We have always been helping each other in one way or the other. It is only that as we develop, things change. I am surprised to hear hon. Nthenge saying that the Harambee spirit is bad, while he knows very well that in Ukambani during the cultivation season, people assist each other to plough their farms as a team. Even now, mothers organise themselves to assist one another. It is only our culture that has changed, otherwise, Africans have known Harambee since time immemorial. If some of us are mean and misers, let us not take ourselves under the cover of Harambee and pretend that Harambee is bad. It is not a must that you must contribute, it is a voluntary exercise. If you think that you cannot contribute, Haleluya!

Mr. Deputy Speaker, Sir, the PIC is a Committee that was looking into the State Corporations that the Government has invested in. When we invest in these parastatals, the Government must have had an idea why they are investing there. Probably, they wanted to gain more from those parastatals so that the public coffer can have more, or they wanted to inject some kind of knowledge or safeguard public property. We have got some very strategic parastatals, like the Kenya Power and Lighting Company (KPLC), Kenya Posts and Telecommunications (KPTC) and Kenya Railways, because these are parastatals that the country needs for the future development of this nation. These parastatals, plus many others, must be seen to be run properly. But those that are non-strategic, we can always dispose them off to the public.

The problem here is when chief executives of these parastatals are appointed, they go there to loot these parastatals. I think it is high time that we should put ourselves into proper position. Those who appoint the chief executives being Head of State or a Minister, they never appoint them to loot those parastatals. They always appoint them and expect them to do something better. But unfortunately, some of these chief executives, think they went there to loot. I would like us to charge people by name instead of generalising, because there is a culture now in the multiparty era where probably Members from the Opposition are blaming the Government for the shortfalls of these chief executives or the Government is looting. It is not the Government that is looting, but there are individuals who are looting. The Head of State appoints them expecting them to go and do better, but unfortunately, those few individuals happen to be among the errant boys. They go out of their way and they mess up with these parastatals. Let us praise where it is due and condemn where it is due.

Mr. Deputy Speaker, Sir, unfortunately, those few individuals happen to be among those we call errant boys. They go out of their way and mess up these parastatals. I would like us to praise or condemn as the case may be.

Last week, we were happy to hear that a very good parastatal called East African Portland Cement Company Limited completed a project worth Kshs6.5 billion, on time and within the budget. Nowadays, it is very rare to find a parastatal undertaking such big project of that magnitude and completing it on time and on budget. If probably some of the parastatal heads, like the Chief Executive of the East African Portland Cement Company Limited are doing the similar jobs, we will go a long way to improve the life of Kenyans in this country. I have given that one as an example, because we have gone through over 39 projects, like what the hon. Prof. Anyang'-Nyong'o said about the sugar industry. In that area, it is not the Government which made the company to stagnate; it is the individuals and we should take them head on and stop saying that it is the Government.

When we talk of the Government, what do we mean? Even yourself, you are the Government! This is a National Assembly, which actually is the august House of this nation and, we are the people who make the laws, and then the Government implements them. If you are pointing a finger at the Government, you are actually pointing three fingers at yourself, when you point one to the Government.

Mr. Busolo: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to say that,

all of us are in the Government, when it is stated clearly in the Constitution that the Government is made up of the Head of State and the Cabinet?

Mr. Sankori: Mr. Deputy Speaker, Sir, let me continue. I do not think that I need even to refer to that. For one, he is in this House and he is paid by the Government. Why are you paid by the Government, if you are not the Government?

Mr. Kamuyu: On a point of order, Mr. Deputy Speaker, Sir. Are you quite satisfied by the explanation given by the hon. Member, on the composition of the Government? The Government is made up of the Head of State and his Cabinet. We are not all part of Government. We cannot be blamed when money gets lost in parastatals because we are not part of Government. In fact, we are opposing the Government because we are not part of the Government.

Mr. Sankori: Thank you very much, Mr. Deputy Speaker, Sir. I think they want to take me for a ride, and I will not allow them. What I said here is that some of those parastatals that are messing up our economy, should actually be streamlined. Unfortunately, the Minister for Finance who happens to have a lot of these parastatals under him, does not see it fit to have all the heads of all the parastatals that are not making profits rolling. We are saying that because we do not want the good name of Kenya to be tarnished by a few individuals who are greedy. As regards what hon. Nthenge said, we have a lot of learned people now in the country who can run these parastatals efficiently and effectively.

Mr. Deputy Speaker, Sir, as we entered the early years of Independence, we had a very smooth kind of Government transition from the colonialists to the Africans. It is just in the middle that we started having a culture of grabbing, which was actually started by some tribes, I am sorry to say, including the Kikuyus. Now it is the Kalenjins who are grabbing. It is very unfortunate that--

Mr. Kamuyu: On point of Order, Mr. Deputy Speaker, Sir. Are you satisfied that the Kalenjins are the only ones who are grabbing now?

Mr. Deputy Speaker: I do not have to be satisfied.

Mr. Kamuyu: Mr. Deputy Speaker, Sir, is it in order for the hon. Member to accuse the entire Kikuyu community, knowing how honest and hard working they are and to merge them together with the Kalenjins who clearly are now grabbing the economy?

Mr. Sankori: You are wasting my time. I made that general comment, but I am sure you know as much as I know that, when we talk about that, that is just the truth.

The Assistant Minister for Lands and Settlement (Mr. Sumbeiywo): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for hon. Sankori to generalise that the Kikuyus started grabbing and today, the disease has gone to the Kalenjin community, whereas we have got upright, honest and efficient Kikuyus and Kalenjins who are running parastatals honestly? Is it fair for him to generalise? Can he substantiate?

Dr. Kituyi: On a point of information, Mr. Deputy Speaker, Sir.

Mr. Sankori: Mr. Deputy Speaker, Sir. I do not need any information. The names that were read by Prof. Anyang'-Nyong'o, were actually of the members of the two tribes. The names are in the Report. If you have not read the Report, can you please read it?

Mr. Deputy Speaker: Order! You were on the verge of making your substantiation. Is that your substantiation?

Mr. Sankori: Mr. Deputy Speaker, Sir, that is my substantiation, as far as I am concerned. To make it more clearer--

The Assistant Minister for Lands and Settlement (Mr. Sumbeiywo): On a point of order, Mr. Deputy Speaker, Sir. I do not know whether you are satisfied with the answer because he has not substantiated anything. He has not apologised to hon. Kamuyu, the Kikuyus and Kalenjins in general.

Mr. Deputy Speaker: Order! I think I heard hon. Sankori saying that his general statement about the two communities was, unfortunately, based on what he considered to be the ethnic background of the individuals whose names were on the list which I understand, hon. Prof. Anyang'-Nyong'o read out to the House. I was not in the Chamber then.

Mr. Kamuyu: On a point of order, Mr. Deputy Speaker, Sir. What hon. Prof. Anyang' Nyong'o read out to this House was not truth and we are debating the Report and we have not heard anything being 100 per cent true. These were just proposals and, therefore, we cannot refer to what hon. Prof. Anyang'-Nyong'o read out here as Gospel truth. I insist that---

Mr. Deputy Speaker: I promise, you will get the Floor to rebut, when it comes to your time.

Mr. Sankori: Thank you, Mr. Deputy Speaker, Sir. When I started my contribution I said some parts of the report should be amended. Probably what he is saying is, the part that I said we have to amend some parts. Thank

you, Mr. Kamuyu for agreeing with me.

Mr. Deputy Speaker, Sir, the Head of State does not appoint people to go and loot, he appoints them to go and do a good job. It is just unfortunate that when some of them are appointed, they do the contrary. I am sure what hon. Sumbeiywo was right by saying that it is not fair for anybody to generalise a community. But, when it comes to the majority always complaining about a particular community, sometimes we have to generalise instead of being so specific. But at times, specification can be done.

Mr. Deputy Speaker, Sir, as concerns some of the recommendations in the report, it is just unfortunate that the report chose specifically to pin-point some people in the Civil Service, and charged them because they are in the Civil Service. I am saying this because, a person like Sang' or the Commissioner of Lands who has been there for a long time. The Commissioner of Lands has been doing a very commendable job. I am saying this because, there was a time in 1994/95 report of Public Accounts Committee that has already been [Mr. Sankori] discussed in this House, when we asked for a list of all those people that had been allocated Government land from 1963 to 1994 and we found out that the list was balanced as far as I would say, the "big tribes" are concerned. Unfortunately some of the "small tribes" are not even there.

Mr. Kamuyu: Are you a small tribe?

Mr. Sankori: I do not know.

Mr. Deputy Speaker, Sir, as hon. Kamuyu wanted to say, those are the parts that I said should be amended because the report is actually attacking some people not because they have grabbed anything but, simply because of their offices and because some Members think that when they get there, there will be nothing for them to grab. Nairobi has been "eaten" by "Whites" and so many Mayors who I do not need to mention, because you know them since time immemorial. Even now, there are still plots for councillors to "eat". Gentlemen, if ever you are going to get your turn, you will get something to "eat."

Prof. Anyang'-Nyong'o: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member of Parliament in order to impute improper motive on the part of the Committee, that our whole intention of mentioning people by name is because we have not had the opportunity to grab? When it is quite clear in the State Corporations Act, that Chief Executives and Permanent Secretaries are held responsible for the proper management of their Ministries and Corporations. What the Committee has done is to state the Chief Executives who at that point in time were responsible and not to generalise them. So, is the Member of Parliament in order really to impute improper motives on our part when our recommendations are based on evidence received from the Chief Executives themselves and nobody else?

Mr. Sankori: Mr. Deputy Speaker, Sir, "the report is not a gospel truth", if I may quote hon. Kamuyu. The report is subject to the discussion of this House for some amendments to be made.

Mr. Deputy Speaker: Order! The Report is not the gospel truth before the House but I think it is important that in making your criticism, you do not, without any evidence which you can tender, impute improper motives to the Member and the Committee as a collectivity.

Mr. Sankori: Thank you Mr. Deputy Speaker, Sir. I am not imputing improper motives but I think we are bound to criticise them on what they said as a Committee, if we find that there is need for us to do so and they should not be jittery when they find some things that are not palatable as far as the Report is concerned.

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, I think we should be serious. Is the hon. Member still in order to say that we are being jittery? In other words, we are not listening to him with proper motives. That is what jittery means. I am asking the hon. Member whether, according to his reading of the Report, the conclusions that we have come to are derived from evidence received from the Chief Executives mentioned in the Report. If that is not the case, then he can say what he is saying.

Mr. Sankori: Mr. Deputy Speaker, Sir, I do not think there is any executive who said "I should be sacked or I should never head any parastatal as the report says". So, that is not the evidence of the Chief Executives because none of them said that "I should be sacked". Those are the recommendations of the Committee but not the evidence of the Chief Executives.

Mr. Deputy Speaker, Sir, let me now leave the sensitive part since I can see that some people are not really happy about it. Let us come to the general point of parastatals in Kenya. As I said earlier, there was a name for parastatals in Kenya. I think we are losing track of parastatals that are supposed to have assisted the Government to run the affairs of this nation. I am saying this because when, for example, Nyayo Bus Service Corporation was introduced, it was to supplement the public transport in this nation but unfortunately the whole concept was thrown back; the implementation was wrong. So, what I am saying here is that the few parastatals that are now left, which we call strategic parastatals, should be actually run properly because I can see a danger if all parastatals are privatised. There will come a time when some parastatals will hold the Government at ransom and the Government will do nothing. So,

as we are debating this very important Motion, we should make sure that those parastatals that we can see should be retained for the sake of the development of this nation.

With those few remarks, thank you Mr. Deputy Speaker, Sir.

Mr. Murungi: Thank you Mr. Deputy Speaker, Sir for giving me an opportunity to contribute to this Motion. First, I would like to congratulate the Public Investments Committee under the able leadership of Prof. Anyang'-Nyong'o for coming up with this excellent Report which has really given us all the skeletons which the top chief executives in the parastatals have been keeping in their cupboards for this period.

Mr. Deputy Speaker, Sir, Kenyans are tired, disgusted and fed up with these reports of corruption which come up in this House annually. These horror stories of looting, and mismanagement of public resources are stinking to us. We have noticed that what the PIC actually does is merely a post mortem after the looting and theft of public resources. The PIC sits to find out who did what last year and the year before.

Mr. Deputy Speaker, Sir, with these postmortem reports, it appears as if there is nothing we can do to protect ourselves from corruption and theft in high places in this country. These chief executives do not even seem to have any sense of morality left in them. This is because after somebody is criticised in a report like this one this year we expect that his behaviour would change in the following year. But despite the public exposure of these scandals the chief executives continue behaving as if nothing happened. So, I think we need to go beyond our ritual of publishing a report and keeping it in ourselves. We need to take some practical actions to make sure that these people suffer.

Unfortunately, these days the most respected leaders in this country are those who have stolen most from the people. The people who are showing off in Harambees every weekend are the same people we are condemning in this report. Those people who should be in jail are the ones who are driving sleek cars bought with stolen money. Some of them even get promoted as we debate reports in this House. Just recently we had a case of Mr. Mwangale, about whom papers were laid in this House, and I understand that now he is a whole District KANU Chairman. At least we should have rules in political parties to make sure that these people do not get public appointments either in political parties or in other organisations.

We have also heard announcement of the appointment of a person to the post of a new Minister. We know we had a case in this House about how a whole insurance company has gone under because of the same individual. So, instead of investigating such characters we are promoting them, and Kenyans are surprised to see them being sworn into office at State House.

I think it is high time we implemented the Devil Worship report. This is because we have some information that the reason why the report is not being released is because it contains a long list of Hon. Members on the other side of the House. It will be very embarrassing---

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): On a point of order, Mr. Deputy Speaker, Sir. I rise on a point of order because of what hon. Murungi has said. For one, he has already imputed improper motive on a Minister he did not mention. As if that was not enough, and he went further and insinuated that hon. Members on this side of the House are in the list of devil worshippers. That is gross abuse of the privileges he has in this House. I request that he withdraws that imputation of improper motive on the part of the hon. Members on this side of the House, or he substantiates the same.

Mr. Murungi: Mr. Deputy Speaker, Sir, when a person is elected to this House he is supposed to be of a certain standard. He is supposed to be a person who can read between the lines. He is not supposed to be told everything. The Assistant Minister was a subject of discussion in this House yesterday, but I do not want to get involved in that.

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): On a point of order, Speaker, Sir. He is continuing to do what I requested him to stop doing. He has even gone further into my personality and said that I was discussed in this House yesterday; that did not happen. I think the hon. Member is out of his mind, and wants to name everybody---

Mr. Deputy Speaker: Order! Order! Hon. Kagwima, you are an hon. Member of the House; I assure you that. Hon. Murungi is also a very hon. Member of the House, with a very sound mind. Regarding your points of order about substantiation of what hon. Murungi alleged to have heard about the contents of the Devil Worship report, I think it is really difficult for me to require substantiation from him. As regards substantiation, I cannot, therefore, expect him to table it. I can only appeal to the good sense of Members to be guarded in the allegations, when they know that they cannot substantiate those allegations. Beyond that, I cannot contain his freedom to make his contribution.

The Assistant Minister for Education(Mr. Komora): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member from the Opposition to impute improper motives through rumours that, the hon. Members of Parliament on this side are devil worshippers and therefore, they are devils?

Mr. Murungi: I think we better proceed because I have some important contributions to make. I said I

heard. I did not say I know. So, you cannot ask me to substantiate.

The Assistant Minister for Education(Mr. Komora): On a point of order, Mr. Deputy Speaker, Sir. Is it in order for any Member of Parliament to "hear" and by hearing, to say there are hon. Members of this House who are devil worshippers, because he heard rumours outside there?

Mr. Deputy Speaker: Order! Order! I think we are on some difficult grounds. If hon. Murungi had pinpointed any specific Member of this House by name on the KANU side, he could be required to substantiate. But I think the allegation is one of a general character. He has said he has heard and therefore, he is actually throwing a challenge to the Government to disclaim what he has said he heard. When you ask for substantiation of those allegations, I think you are courting more trouble. I do not want any names to be bandied around in these circumstances.

Mr. Murungi: I am happy to note that the PIC has made very clear and specific recommendations regarding Chief Officers, who are involved in corrupt practices and misappropriation of public properties in various parastatals and against whom legal action should be taken. I think this is the closest that we have come in this report in getting to grips with our problems.

The Report clearly requests the Attorney-General to prosecute certain named individuals. In addition to these recommendations, we do have a law in this country called the Corruption Act which has been in existence since Independence. Except for the famous case of Shimechero against the Republic, there are very few cases of corruption prosecuted under this Act. Like the bigamy provision in the Penal Codes, the Corruption Act is being allowed to die almost a natural death. So, I would like to appeal to the Attorney-General to look afresh at the Corruption Act, because it is comprehensive, and take action against those who give and those who receive bribes because givers and the recipients are offenders under that Act.

Recently, Ford Kenya, requested the Attorney-General to prosecute the people named in this Report. The Attorney-General replied that he needed evidence to prosecute the people. The question we are asking is; the Report itself is very comprehensive, what more evidence does the Attorney-General want? In any case, FORD(K) is not paid to investigate crimes in this country. It is the Attorney-General and the Police, who are paid a salary at the end of every month to investigate crime. On what basis could the Attorney-General ask FORD(K) to give him more evidence so that he can prosecute? We are finding it very difficult these days to understand the Attorney-General because he seems extremely reluctant to defend public interest and public property. We have a few cases like the case of the Law Society of Kenya and the so called Goldenberg scandal, we have the COTEPa case against Kenya Tea Development Authority officials. In both cases, the Attorney-General comes to court under the guise of being *amicus curiae*, that is, a friend of the court. But if you notice the arguments in all these cases by the *amicus curiae*, they are arguments to defeat prosecution, they are not arguments to support the public. So, it is becoming quite clear that although the Attorney-General claims to be a friend of the court, as a matter of fact, he is turning out to be an enemy of the people. We are appealing to the Attorney-General not to misuse his powers as a friend of the court to suppress prosecution of economic crimes in this country. He should use those powers to ensure that the culprits are brought to book.

We are also wondering why corruption has bred corruption. Why does corruption continue to breed corruption in this country? I think the answer lies in the nature of corruption itself. There are various types of corruption, and I think one of the types of corruption is what is called investive corruption, that is, a form of investment in corruption. An example of this is when the *wazee* hear that a District Commission (DC) is being posted to a district, they go there and welcome him. They know that his house is not well furnished so they provide sofa sets and curtains for him. They have no specific cases which they want the DC to assist them in, they have no specific cases of corruption, but they want to create good relations, so that when they come with a request, the DC feels morally obliged to assist them. So that is a type of corruption and it comes very early and the public officials should be aware of it. Apart from actual corruption where you get immediate gain, we have something called protective corruption. For example, Mr. Murungi is being harassed, so he pays money to ensure that those harassing him are kept off. A corrupt person is being pursued by the CID or the Attorney-General's office, he uses protective corruption to make sure that the police do not see him, his books are not inspected; he uses corruption to protect himself against investigations. This is protective corruption.

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): On a point of clarification, Mr. Deputy Speaker, Sir.

Mr. Murungi: Okay, you can tell us more on that line.

Mr. Deputy Speaker: I think it is a point of information and he has accepted. I do not know what a point of clarification is in the Standing Orders.

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, clarification or elucidation is in the Standing Orders. I am trying to seek clarification from the hon.

Member.

Mr. Deputy Speaker: Hon. Kagwima, which Standing Order is that?

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, I am going to tell you in a few moments.

Mr. Deputy Speaker: Continue!

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, I am following with a lot of interest the fact that hon. Murungi is against corruption. The last type of corruption he is talking about is protective corruption. I want him to tell us whether he is aware that some legal firms, including his, are asking the clients, apart from the legal fees, to also give money to go and bribe so that their cases can be heard? Can he tell us whether he is aware of that?

(Applause)

Mr. Murungi: Mr. Deputy Speaker, Sir, the hon. Assistant Minister, I think in revenge to what was alleged against him about grabbing 400 acres of land for agricultural research in Meru, is imputing improper motives against my firm by saying that we are also asking for money from clients. Can he substantiate that?

Mr. Deputy Speaker: I suppose he is referring to the legal fees you charge.

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

Mr. Deputy Speaker: Order! I thought a lot of what transpired was with a light touch.

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): On a point of order, Mr. Deputy Speaker, Sir. On the last bit of his statement, the hon. Member alluded that I have grabbed 400 acres of land. I want him to substantiate that allegation or to withdraw it. That is a categorical statement and he should prove that I have taken 400 acres of land.

Mr. Murungi: Mr. Deputy Speaker, Sir, this is in the HANSARD.

Mr. Deputy Speaker: What is in the HANSARD?

Mr. Murungi: Mr. Deputy Speaker, Sir, hon. Mwiraria raised a matter here yesterday that hon. Kagwima has grabbed 400 acres of land in Kiburine Farm in Meru.

Mr. Deputy Speaker: What would you, as a lawyer, regard as grabbing?

Mr. Murungi: Grabbing is where, public land allocated for one specific purpose, like land allocated for agricultural research, is illegally taken for private use. So, this is what we call grabbing.

Mr. Deputy Speaker: Order! You are, therefore, saying that the hon. Assistant Minister illegally got 400 acres---

Mr. Murungi: It was said yesterday.

Mr. Deputy Speaker: No! I do not know what was said yesterday. Let me have the facts. Please if you cannot substantiate just withdraw the statement and apologise.

Mr. Murungi: Mr. Deputy Speaker, Sir, before I withdraw, I would like Prof. Anyang'-Nyong'o to inform the hon. Member.

Prof. Anyang'-Nyong'o: On a point of information, Mr. Deputy Speaker, Sir. My information is directed to the hon. Assistant Minister sitting in front of me and particularly hon. Kagwima who wanted to be informed on what grabbing is.

When that which does not belong to you but belongs to public domain, though protected by law, you proceed to use that law for selfish reasons or for underhand reason to make your own away from the public domain before referring to a public body that is constituted to give you that possession, that is grabbing.

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, the point I am making is clear. I have stated categorically that I have not grabbed any piece of land and I do not own it. I only wanted hon. Murungi to prove---

Mr. Deputy Speaker: Hon. Murungi, withdraw that allegation and continue with the debate. You are under my direction to respond to the point of order by either way of substantiation or withdrawing and apologising.

Mr. Murungi: Mr. Deputy Speaker, Sir, since this matter is quite clear in the HANSARD, I wish to withdraw and apologise to my colleague, but I invite the members of the public to read the HANSARD.

Mr. Nyagah: On a point of order, Mr. Deputy Speaker, Sir. You will also remember that hon. Kagwima was very categorical in a statement trying to revenge, when he said that hon. Murungi's firm is involved in asking for bribes, loans or money from his clients. Can he also substantiate?

Mr. Deputy Speaker: Order! Order! Firstly, Mr. Nyagah, it is not proper for you to drag us back as if you are now revenging for---

(Loud Consultations)

Order! Order! Secondly, I think I made my position very clear on that earlier, when the objection was raised. Proceed, hon. Murungi.

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

Mr. Deputy Speaker: Not on that matter. Do you have a new matter? Your point of order should not be on that matter. Hon. Murungi, you have the Floor, if you still want to contribute.

Mr. Kamuyu: Mr. Deputy Speaker, Sir, ---

Mr. Deputy Speaker: Order! Order! Order! Let me put it this way. Frankly, I did not get quite right, the words used by hon. Kagwima. As I said at some point, I thought that the alternate responses between the two hon. Members from the Meru part of this country was somewhat with a light touch. I thought I understood that hon. Kagwima was, in effect, saying that the fees that lawyers charge amounts to corruption, which I thought was a very---

An hon. Member: Wrong!

Mr. Deputy Speaker: Order! Order! I now understand that surprisingly, hon. Murungi did not bring to the attention of this---

An hon. Member: Allegations!

Mr. Deputy Speaker: Order! I now understand from my Clerk at the Table that hon. Kagwima was heard saying that the firm of hon. Murungi, in addition to charging legal fees, charges other fees which are used to corrupt people in order to win cases. Is that the case?

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

Mr. Deputy Speaker: Order!

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, I supported what hon. Murungi said---

Mr. Deputy Speaker: Order! Did you say that? The HANSARD will bear you out. Did you say that?

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, I did not mean that.

Mr. Deputy Speaker: What did you say?

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, what I did say is that I support what hon. Murungi said against corruption. Then I said, even some lawyers charge fees that people cannot bear. At times because of fear and because of wanting to be protected, the hon. Members do---

Mr. Deputy Speaker: Order! Order! Order! The Assistant Minister has a right to explain to the Chair, what the Chair has asked him to explain. If you think he is not correct, you know that you can look at the HANSARD. It will be ready within 30 minutes from now. Or rather, as soon as you walk out, you can listen to the tape. Surely, the Chair, or the Deputy Speaker can go to the HANSARD room to listen to the tape. Please, will you finish, hon. Kagwima?

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

Mr. Deputy Speaker: Order!

The Assistant Minister for Research, Technical Training and Technology (Mr. Kagwima): Mr. Deputy Speaker, Sir, I was trying to agree with him on that point of corruption, because of protection or because of fear. That is why even if people are charged by lawyers excess fees, they will still pay. That can also amount to corruption. That is what I said.

Hon. Members: No! No!

Mr. Murungi: Mr. Deputy Speaker, Sir, the simple point that I was trying to make was that part of the reason why it is becoming difficult to fight and defeat corruption in this country, is because corruption is used to protect corruption. It is as simple as that.

I think we need to take this issue of corruption more seriously in this country. This is because at the end of the day, it is the ordinary people of Kenya who are suffering. We have potholes on our roads because funds which should be in the Treasury are not there. We are saying---

Mr. Magwaga: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Murungi in order to mention a Mr. Shimechero who is not here to defend himself that he is corrupt?

Mr. Deputy Speaker: Order! That is a frivolous and misguided point of order. Proceed, Mr. Murungi.

Mr. Murungi: Mr. Deputy Speaker, Sir, I was saying that we have very bad infrastructure because the money which should be in the Treasury is not there. It is in the pockets of individuals.

We have deteriorating health services, education services and so on in this country. The Government is not even able to construct chiefs' camps because the money which should be used is in the pockets of corrupt Chief Executives of parastatals in this country. If we had all this money in the Treasury, we could have much more money to allocate for the development of this country.

Mr. Deputy Speaker, Sir, because we have looted the Treasury, we have to look for alternative sources of money to construct infrastructure, build schools and contribute to improvement of all the services in this country. That is why Harambees have become a necessity in this country because the money which was meant for construction of those public utilities is now used to buy individuals' luxuries. Harambee itself further perpetuates corruption, somebody said that Kenyans these days are not working for profits, but we are working for prestige because we work five days a week, and then over the weekend all the money we made over the week we are out impressing natives with it out there.

There is no nation which can develop without saving. Our elites are heavily taxed through these Harambees. They keep on borrowing from each other, they keep on impoverishing each other so that savings are becoming difficult, and without savings you cannot invest, without investments you cannot produce and without producing you cannot sell. So, if you have nothing to sell, you cannot make money.

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Murungi in order to mislead this House when he knows that there are many countries in Africa that do not have Harambee and they are under-developed and the reason why Kenya is ahead of them is because we have a faster way of developing?

Mr. Murungi: Mr. Deputy Speaker, Sir, there are 51 African countries who are members of OAU, and Kenya is, I think the 17th poorest country in the world. This arrogance that Kenya is doing very well in Africa and that kind of thing is not supported by basic facts; read the report. Part of the reason why we are so poor is because of the Harambee.

The Assistant Minister, Office of the President (Mr. Sunkuli): On a point of order, Mr. Deputy Speaker, Sir. The hon. Member is continuing to mislead this House. He ought to inform---

Mr. Deputy Speaker: Mr. Sunkuli, I think that is not a point of order, you will argue out when given chance.

Mr. Murungi: Mr. Deputy Speaker, Sir, I think time has come in this country for us to ask Mr. Kuria Kanyingi where he gets Kshs500,000 to give out every weekend. There is no legitimate business one can do and make that kind of money.

We should also ask hon. Minister for Education where he gets all this money he is spending in Meru and Central Province every weekend. In countries which are practising accountability and transparency, we would set CIDs behind these people to find out where they got the money from.

(Applause)

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until Tuesday, 22nd October, 1996 at 2.30 p.m.

The House rose at 6.30 p.m.