

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 4th October, 2016

The House met at 2.30 p.m.

[The Speaker (Hon. Muturi) in the Chair]

PRAYERS

MESSAGES

NOMINATION OF JUSTICE DAVID KENANI MARAGA AS CHIEF JUSTICE

Hon. Speaker: Hon. Members, I have the following Messages from the President. The first one is Message No. 5 of 2016 on the nomination of Justice David Kenani Maraga as Chief Justice of the Republic of Kenya.

(Applause)

Hon. Members, Standing Order No. 42(1) relating to Messages from the President provides that:-

“The Speaker shall read to the House any message from the President delivered to the Speaker for communication to the House.”

In this regard, I wish to inform the House that I have received a Message from the His Excellency the President dated 29th September, 2016, regarding the appointment of Justice David Kenani Maraga as Chief Justice of the Republic of Kenya. The Message also includes the original copy of the Judicial Service Commission’s (JSC) Report on recruitment and selection process for the Chief Justice and his curriculum vitae. This was submitted in line with the provisions of Article 166 (1)(a) of the Constitution which provides as follows and I quote:-

“The President shall appoint-

(a) the Chief Justice and the Deputy Chief Justice, in accordance with the recommendation of Judicial Service Commission, and subject to the approval of the National Assembly.”

The President, therefore, seeks the approval of the National Assembly on the said nomination.

Hon. Members, Section 5 of the Public Appointments (Parliamentary Approval) Act, 2011, provides that an appointing authority shall, upon nominating a person for an appointment to which this act applies, notify the relevant House of Parliament accordingly. Consequently, a proper notification in line with the above provision has been received.

Hon. Members, Section 8 of the Public Appointments (Parliamentary Approval) Act, 2011 further provides that the relevant Committee shall table its report for debate and decision within 14 days from the date on which the notification of nomination was given. I cannot over-

emphasize the need to expedite this process of appointment of a substantive Chief Justice, considering that there is a vacancy in this position and that of the Deputy Chief Justice at a time when the substantive office holders ought to perform certain statutory obligations.

Hon. Members, pursuant to the provisions of Standing Order No. 43(3)(c), I now hereby refer the Message, including the curriculum vitae of the nominee, to the Departmental Committee on Justice and Legal Affairs to undertake the necessary approval hearings. I wish to guide the Committee and the House as follows:-

- (i) The Committee should notify the nominee and the general public of the time and place for holding the approval hearings expeditiously. The notification should, therefore, be made immediately; and,
- (ii) The Committee should, thereafter, commence the necessary approval hearings and table its report on or before Wednesday, 12th October, 2016 for debate and decision by the House before the end of next week.

I thank you Hon. Members.

Hon. Members: Put the Question.

Hon. Speaker: There is a suggestion that I put the Question, but there is no Question.

(Laughter)

APPOINTMENT OF MEMBERS TO CENTRAL BANK OF KENYA BOARD

Hon. Speaker: Hon. Members, the next Message being No. 6 of 2016 from the President is on the appointment of members to the Central Bank of Kenya Board.

Hon. Members, pursuant to the provisions of Standing Order 42(1) relating to Messages from the President, I wish to inform the House that I have received a Message from His Excellency the President regarding the appointment of members to the Central Bank of Kenya Board.

The Message conveys that the following persons have been nominated for appointment as members to the Central Bank of Kenya Board:-

- (i) Mr. Ravi Ruparel,
- (ii) Mrs. Nelius Kariuki,
- (iii) Mr. Samson K. Cherutich,
- (iv) Ms. Charity Seleina Kisotu; and,
- (v) Mrs. Rachel Bessie Dzombo.

Hon. Members, Section 11(2) of the Central Bank of Kenya Act requires that in making appointment of Board members to Central Bank of Kenya (CBK), the appointing authority shall seek parliamentary approval. Section 5 of the Public Appointments (Parliamentary Approval) Act, 2011 provides that an appointing authority shall, upon nominating a person for an appointment to which the Act applies, notify the relevant House of Parliament accordingly. Consequently, a proper notification in line with the above provision has been received.

Since the Central Bank of Kenya Act does not provide specific timelines for the consideration of the nominations, it follows that Section 8(1) of the Public Appointments (Parliamentary Approval) Act, 2011 comes into effect. For the avoidance of doubt, this section states that:-

“Unless otherwise provided in any law, a Committee shall consider a nomination and table its report in the relevant House for debate and decision

within fourteen days from the date on which the notification of nomination was given in accordance with Section 5.”

In this regard, therefore, the House has 14 days to consider the nominations in accordance with the relevant laws, unless the House grants a further extension, pursuant to the Statute Law (Miscellaneous Amendments) Act, 2014.

Pursuant to the provisions of the Standing Orders, I now refer the Message from His Excellency the President containing the names of the nominees together with their curricula vitae to the Departmental Committee on Finance, Planning and Trade to conduct approval hearings and table its report expeditiously on or before Thursday, 13th October 2016 to enable the House to make a decision by Tuesday, 18th October 2016.

I thank you, Hon. Members.

Next Order.

PAPERS LAID

Hon. Speaker: The Leader of the Majority Party.

Hon. A.B. Duale: Hon. Speaker, I beg to lay the following Papers on the Table of the House:-

The Commission on Revenue Allocation recommendations for equitable sharing of revenue raised nationally between the national and county governments for the Financial Year 2017/2018;

The Report of the Auditor-General and the Financial Statements of the National Government Constituency Development Fund in respect of the following constituencies for the financial year ended 30th June 2015 and the certificates therein—

- (i) Mavoko Constituency;
- (ii) Kathiani Constituency;
- (iii) Kajiado South Constituency;
- (iv) Kajiado North Constituency;
- (v) Machakos Town Constituency;
- (vi) Marakwet East Constituency;
- (vii) Sigor Constituency;
- (viii) Saboti Constituency;
- (ix) Kiminini Constituency;
- (x) Keiyo South Constituency;
- (xi) Pokot South Constituency;
- (xii) Kesses Constituency;
- (xiii) Kasipul Constituency;
- (xiv) Borabu Constituency;
- (xv) West Mugirango Constituency;
- (xvi) Kitutu Masaba Constituency; and
- (xvii) Nyaribari Chache Constituency.

Thank you, Hon. Speaker.

Hon. Speaker: The Chair of the Departmental Committee on Transport, Public Works and Housing.

Hon. (Eng.) Mahamud: Hon. Speaker, I beg to lay the following Paper on the Table of the House:-

The Report of the Departmental Committee on Transport, Public Works and Housing on the inquiry into the status of implementation of Phases I and II of the Standard Gauge Railway (SGR).

**NOTICE OF MOTION FOR ADJOURNMENT
UNDER STANDING ORDER NO.33 (1)**

ALLEGED MISMANAGEMENT OF KENYA AIRWAYS COMPANY

Hon. Speaker: The Leader of the Majority Party.

Hon. A.B. Duale: Hon. Speaker, pursuant to Standing Order 33(1), I seek leave of the House to allow a Motion for Adjournment of the House to discuss the imminent collapse of the country's national carrier, Kenya Airways (KQ), due to diminishing financial returns.

Kenya Airways, which was founded in 1977 as the country's national carrier and rose to become the acclaimed 'Pride of Africa' and the airline of choice regionally, continentally and globally, has been experiencing unprecedented financial turbulence. Over the past four years, the airline's financial fortunes have been diminishing and its competitiveness waning. In the 2014/2015 Financial Year, KQ posted a loss of Kshs25.7 billion. The situation worsened in the 2015/2016 Financial Year when the airline recently posted a net loss of Kshs26.22 billion, the worst ever financial results for a listed corporate company in our country.

The dwindling financial performance of KQ is said to threaten to clip its wings and ground the operations of the once celebrated 'Pride of Africa' to a halt. The doubts over its going concern puts into uncertainty the Government's investment of more than 29 per cent shareholding and the yield of the publicly-listed shares and those of private persons.

I, therefore, seek adjournment of the House to discuss this important matter of national concern and reflect on the claims of irregularities---

(Loud consultations)

Hon. Speaker: Order Members! Order Members!

Hon. A.B. Duale: I, therefore, seek adjournment of the House to discuss this important matter of national concern and reflect on the claims of irregularities that may have contributed to the shocking financial situation.

Thank you, Hon. Speaker.

(Several Members stood in their places)

Hon. Speaker: Hon. Members, it looks like the entire House wants to discuss this matter. You may resume your seats. Remember under our rules, only the Mover may speak for 10 minutes; the rest of the Members have only five minutes each to contribute to a Motion of this nature. The reason why I had to make that observation is because in allocating time, I must bear in mind the amount of interest shown by the House. If the entire House, with the exception of Hon. Chris Wamalwa, was up on their feet – there are only two Members who did not rise in their places – then it means that I must allocate sufficient time.

(Applause)

(An Hon. Member raised his finger)

The Member who is raising his one finger, I do not know what that means. He may be nostalgic about something about one finger, but it is not in our rules to raise one, two or three fingers. I am deliberately raising the matter so that in determining the amount of time to allocate-- If I allocate one hour or even 90 minutes, only 18 of you will contribute. It means that I need to---

An Hon. Member: *(Inaudible)*

Hon. Speaker: Standing Order No. 33 does not require me to be assisted by anybody, so do not even feel agitated about wanting to say anything. You cannot assist me in this. I just need to see the interest in the House, just to get an indication. Ninety minutes will mean 18 of you. I am trying to see how many Members have---

So that we can also transact some other business, I want to get an indication. Will two hours be sufficient?

Hon. Members: No.

Hon. Speaker: Two-and-a-half hours so that at exactly 4.00 p.m., given the interest, Hon. Duale will move that the House adjourns to discuss the matter of what he calls "imminent collapse". I have determined that the matter is definite and is obviously of national importance since, among other things as you have said in the past, the airline flies into villages and other places. It flies all over the country and other parts of the world. So, this House can debate its collapse or lack of it and see how best to move forward with that matter. But, possibly, it is with a view to getting our Departmental Committee on Transport, Public Works and Housing to deal with this matter. We will determine that at the tail-end. So, 4.00 p.m. is the hour of the Motion.

Next Order. Hon. Mahamud.

NOTICE OF MOTION

ADOPTION OF REPORT ON IMPLEMENTATION OF THE STANDARD GAUGE RAILWAY

Hon. (Eng.) Mahamud: Hon. Speaker, I beg to give notice of the following Motion:-

THAT, this House adopts the Report of the Departmental Committee on Transport, Public Works and Housing on the inquiry into the status of implementation of phases 1 and 2 of the Standard Gauge Railway (SGR), laid on the table of the House on Tuesday, 4th October 2016.

Hon. Speaker: Very well. Next Order.

STATEMENT

DEMISE OF HON. WILSON LITOLE

Hon. Speaker: The Hon. Philip Rotino, Member for Sigor.

Hon. Rotino: Hon. Speaker, I beg to read a Statement on the demise of Hon. Wilson Litole, MP, and former Member of Parliament for Sigor Constituency.

It is with deep sorrow that I convey to this House the demise of the late Wilson Litole, MP. The late Litole was an immediate former Member of Parliament for Sigor Constituency, West Pokot County. He passed on, on 25th September 2016 while undergoing treatment.

The late Litole had a wonderful career as a public administrator before joining politics. He started working as a District Officer (DO) in 1987. He rose through the ranks to become the District Commissioner (DC) and a Commander of the Administrative Police Training College (APTC). He is a graduate of Glasgow University in the United Kingdom (UK). He did a masters degree in development.

The late Wilson Litole joined politics in 2007 and was elected Member of Parliament for Sigor Constituency in the 10th Parliament. He was a good debater and a staunch member in various Committees including the Departmental Committee on Defence and Foreign Relations and the Local Authorities and Funds Accounts Committee. Hon. Litole was also appointed to become a Commissioner in the Parliamentary Service Commission (PSC) from October 2011 to March 2013.

On behalf of the Members from the West Pokot County and on my behalf, I wish to convey my condolences to the family and the people of Sigor Constituency for the great loss of that wonderful Member of Parliament. I would like to request that I circulate a list for Members who are willing to contribute to support the burial expenses for the late Litole.

Lastly, I wish to kindly request that, in honour of the exemplary work that Mr. Litole rendered to this nation, this House observes a moment of silence.

May God rest his soul in peace.

Thank you, Hon. Speaker.

(Several Members stood up in their places)

Hon. Speaker: Hon. Members, I am not aware of what is happening. Order Members. You see, where the Standing Orders do not provide, the latitude is not on any Member who may be expressing grief. The Member for Sigor, having approached the Chair, I gave you the opportunity to raise that matter so that the Chair will deal with the rest. But, I appreciate that the matter is very touchy and you decided to usurp the powers of the Chair.

Having done so, we now need to appreciate the demise of one of our former colleagues and a former Commissioner of the Parliamentary Service Commission (PSC), Hon. Litole, who passed on and whose message of condolence Hon. Philip Rotino was speaking about.

So, in honour of our departed colleague, the House is requested to rise and observe a moment of silence.

(Hon. Members observed a moment of silence)

May his soul rest in eternal peace.

Hon. Members: Amen.

Hon. Speaker: Hon. Kamama, you wish to raise something about that?

Hon. Abongotum: Thank you, Hon. Speaker. I also want to join my colleagues in passing my condolences to the family, friends and people of West Pokot for the great loss of one Hon. Litole.

Hon. Litole, who was my former colleague in the Provincial Administration, served in Mwingi, Siaya and Trans Mara districts. He was a dedicated civil servant. He was very devoted

and served this country with distinction. He will be hugely missed by his relatives. I am one of his relatives. He was a great civil servant. Having been a Member of Parliament for one term, a member of the Parliamentary Service Commission (PSC) and also served as college commandant of the Kenya Administration Police, we will hugely miss him.

I want to say *pole* to the people of West Pokot, Sigor and the entire family of the late Hon. Litole. May he rest in peace.

Hon. Speaker: Hon. John Olago Aluoch.

(Hon. Ochieng' stood up in his place)

Hon. Ochieng', you can sit wherever.

Hon. Aluoch: Thank you, Hon. Speaker. I wish to join the House in mourning Hon. Litole whom I had the chance to work with, in the last Parliament as a Commissioner in the Parliamentary Service Commission (PSC). Before that, Hon. Litole was an administrator in the then Kisumu District when I met him for the first time. I am yet to work with a more polished, serious and dedicated Member of Parliament. His loss at elections, and I wish to congratulate his successor, was a demonstration of how sometimes ---

(Hon. Ng'ongo consulted loudly)

Hon. Mbadi is disturbing my attention. I was saying that the loss of Hon. Litole's election got me thinking whether one needs to spend a lot of time in the service of the House or a lot of time in the service of the constituency. Hon. Litole spent a lot of time in the service of the House. I believe, as a result, he must have lost touch a little with his constituency and that is why he must have lost the elections. So, as we mourn Hon. Litole, let us then look seriously at our responsibilities as Members of this National Assembly; whether we need to spend a lot more time here than in the constituencies or not.

I wish to join the voters of Sigor and Members of this honourable House in mourning a serious and dedicated Member of Parliament.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Nyeris.

Hon. (Ms.) Changorok: Mhe. Spika, ningependa kuungana na wenzangu kutoa pole zangu pamoja na jamii yangu na Wapokot wote kwa jamii ya Mhe. Marehemu Litole. Najua Mhe. Marehemu Litole alihudumia nchi hii katika nyanja mbali mbali ya mwisho, katika Bunge la Kumi. Alifanya kazi nyingi zaidi katika Kaunti ya Pokot ambayo amewacha alama.

Kwa hivyo, natoa pole zangu na Mungu amurehemu.

Hon. Speaker: Member for Kwanza.

Hon. F.K. Wanyonyi: Hon. Speaker, I also want to take this opportunity to send my sincere condolences to the family of the late Wilson Litole. I knew him as a man of peace. As you know, in the 1970s, 1980s up to the 1990s, in Trans Nzoia, we had many conflicts between the Pokot and the people of Trans Nzoia. I knew Wilson as a very dedicated person in conflict resolution. The late Hon. Litole with the sitting Member of Parliament, Hon. Philip Rotino and Hon. Moroto, helped us. We held many meetings with them to bring peace in the region. As we speak today, there is peace in Trans Nzoia because of the initiative of the late Hon. Litole.

Therefore, on behalf of the people of Trans Nzoia and on my own behalf, because we are adjacent, I send our sincere condolences to the family and the people of Pokot. Therefore, let him

rest in peace. I hope that the peace that we are enjoying today in Trans Nzoia will continue in remembrance of the late Wilson Litole.

Thank you.

Hon. Speaker: Hon. Grace Kiptui.

Hon. (Ms.) Kiptui: Thank you, Hon. Speaker for giving me the opportunity. I also rise to send my personal condolences, those of my family and the people of Baringo County, who happen to be neighbours and relatives of West Pokot. In solidarity, we say *pole* to the family of the late. We are together at this time of grief.

The late Hon. Litole left an impact in the community, especially on issues of peace between the communities of Baringo and those of West Pokot during his time as a leader.

Thank you, Hon. Speaker.

Hon. Speaker: Member for Suba.

Hon. Ng'ongo: Thank you very much, Hon. Speaker. Hon. Litole was a very strong member of the Orange Democratic Movement Party (ODM). I recall when I first came to Parliament in 2008. The first trip that I made outside the country was with Hon. Litole. The two of us were Members of the Departmental Committee on Defence and Foreign Relations. We left for Egypt, only to realize that the same day, the then Deputy Prime Minister and Minister for Local Government, the current President was also coming. We were actually stranded because the entire machinery had prepared for the coming of the Deputy Prime Minister. So, we were forgotten and had to look for our way in a foreign land with the late Hon. Litole.

It is really sad, indeed, that we have lost this great Kenyan who served his constituents with a lot of dedication for five years. Before then, he was an administrator. Actually, we had shared a lot with him. But one striking thing about the late Litole is that he – up to his death - remained a very principled man even when a lot of pressure was exerted on him to defect to United Republican Party (URP). He stood his ground and defended his seat on an ODM ticket. Even though he was not successful, he communicated to me before his death that this time round in 2017, he was going to make it back to Parliament on an ODM ticket. Since we are not going to see that, it is God's plan. I sympathize and join in condoling him together with the rest of Kenyans and, more particularly, the people of Sigor whom he represented for five years in Parliament. May God rest his soul in peace. Amen.

Hon. Speaker: Finally, Hon. William Kipkemoi, Member for Marakwet West.

Hon. Kisang: Thank you, Hon. Speaker. I rise to give my condolences and those of the people of Marakwet East and West to the family of Hon. Litole. Hon. Litole was our immediate neighbour at the constituency level. For the five years he was the MP for Sigor, we had peace as Marakwets. I urge the Marakwets and Pokots to continue having peace despite what happened recently in honour of Hon. Litole.

May the Almighty God rest his soul in eternal peace. Thank you. Hon. Speaker.

(Hon. Oyoo stood up in his place)

Hon. Speaker: You cannot just rise in your place. Hon. Whip of the Minority Party, Hon. Thomas Mwadeghu, Member for Wundanyi.

Hon. Mwadeghu: Nashukuru Mhe. Spika kwa kunipa nafasi hii niomboleze rafiki yangu wa dhati Mhe. Litole. Nilibahatika kuwa naye katika Bunge la Kumi. Naomba nichukue nafasi hii kutuma rambirambi kwa familia yake na jamii yake kwa ujumla.

Nilipata nafasi ya kuandamana naye hadi nyumbani kwake na tukapata nafasi ya kuhudhuria ibada ya misa takatifu pamoja naye. Ni Mbunge niliyemfahamu na nikamjua. Nilipata nafasi ya kumwalika katika eneo langu la Bunge. Akaja hadi Taita na akawajua watu wangu. Nilimjua Litole kama Mbunge aliyeshughulikia watu wake kwa taaluma na azma nzuri.

Ningependa kuchukua nafasi hii kuitakia familia yake uponyaji wa kiroho wakati huu wa majonzi. Naomba Mungu ailaze roho yake pahali pema peponi.

Hon. Speaker: Could the Members making their way into the Chamber take their seats?

COMMUNICATION FROM THE CHAIR

DELEGATION FROM THE PARLIAMENT OF SIERRA LEONE

Hon. Members, I wish to introduce to you a delegation of the following Members of Parliament and one staff from the Parliament of Sierra Leone, who are seated in the Speaker's Row. They are:-

- (1) Hon. Claude D.M. Kamanda, MP, Leader of Delegation;
- (2) Hon. Aaron Aruna Koroma, MP;
- (3) Hon. Albert Deen Kamara, MP;
- (4) Hon. Edward Stile Jengo, MP; and,
- (5) Mr. Augustine Sesay, Committee Clerk.

The delegation comprising of members of the Committee on Transparency and Accountability, is in the country to share experiences and broaden their understanding and knowledge of the workings of our committees. On my behalf and that of the House, I wish to welcome them to the National Assembly and wish them fruitful engagements during their stay in the country.

Let us move to the next Order.

BILL

Second Reading

THE PUBLIC FUNDRAISING APPEALS BILL

(Hon. Chepkong'a on 1.9.2016)

(Resumption of Debate interrupted on 1.9.2016 – Afternoon Sitting)

Hon. Speaker: Hon. Members, as we resume debate on this Bill, I wish to acknowledge that a total of 14 Members have contributed to it. This Bill originated from the Senate. It was tabled in the year 2014. Having noticed the contributions on the Floor of the House during the last debate, I would like to remind hon. Members that a rejection of the Bill would result in the formation of a mediation committee. If the House were to reject the Bill, we would have to form a mediation committee but, Members are at liberty to contribute as they deem best.

Do those Members whose names appear on my screen desire to contribute to this Bill? More specifically, the first person on the list is Ferdinand Wanyonyi, the Member for Kwanza. Do you want to contribute to this Bill?

(Hon. Oyoo consulted Hon. F.K. Wanyonyi)

Member for Muhoroni, you cannot speak for the Member for Kwanza. Member for Kwanza, do you want to contribute to this Bill? You are the first one on the screen. Proceed.

Hon. F.K. Wanyonyi: Hon. Speaker, I want to take this opportunity to add my voice to the Public Fundraising Appeals Bill (Senate Bill No.28 of 2014).

We have to be clear. We have a problem with fundraising. When we go out there to the constituencies, there are all sorts of fundraising activities. I have just come from my constituency. I have about 20 cards in my in-tray all requesting for fundraising for various things, one of which is funerals. We give out the National Government Constituencies Development Fund (NG-CDF) money and people still come back to you for fundraising for students. We must have a way of sorting out these fundraising issues.

The best way of doing this, and I hope that we will agree as a House, is that we must have a way of controlling fundraising in this country, some of which is just for personal gain. You are told that the fundraising is for a specific issue only to find that somebody wants to raise money for his personal gain. Therefore, the idea of accounting for whatever you have amassed from fundraising is something that we should be able to deal with.

As suggested in the Bill, we should know the purpose of that particular fundraising when raising the money. Sometimes you raise money for a church only for that money to go to a pastor instead of the church. I am sometimes forced to write a cheque in the name of a church only for the members to come back saying that the church does not even have an account. We should tame this exercise. It is a noble idea that was meant to help the people but it is being abused today. Therefore, we should know exactly what you are fundraising for and regulate the same so that when you raise money, you can account for it in the end. That is the only way we can have some discipline in the general public so that people know for what purpose you are raising money.

Lastly, this Bill states that at the end of the fundraising, you are supposed show the amount that is required. You must budget for it and have an inspection committee to check whether those funds from that particular fundraising are used for the original purpose. I look forward to having a committee regulating fundraising in this country. It is being abused. The most difficult thing is finding out whether that money raised is meant for that particular project or not.

I support the Bill.

Hon. Speaker: I want to know whether the following Members have contributed - Hon. Johana Ng'eno, Member for Emurua Dikirr, I thought you spoke on this. Let us have Nicholas Ngikor, Member for Turkana East.

Hon. Ngikor: Thank you Hon. Speaker for giving me this chance to support this Bill. The issue of contributing to *Harambees* is voluntary. I do not know how we can condemn it because it is not something you are forced to do. It is your will to contribute when you wish to do so. You should not contribute if you do not want to. We should not bother people with the issue of why we have so many *Harambees*. We can have as many *Harambees* as we want but it is your decision to contribute to the ones you deem to be worthwhile and that you have been invited to as the guest. We are where we are in this country because of *Harambees*.

The other issue is that we have made progress because of *Harambee*. Many students and churches have been helped through the *Harambee* spirit. If we ban *Harambees*, so many people

will have problems; especially students and our churches. When the missionaries came to this country, they constructed so many churches and schools. When the missionaries returned to their countries, the running of those institutions has been left to us, as Kenyans. *Harambees* must continue to support those who are financially disadvantaged.

The other issue is on people who undergo medical treatment. After undergoing surgical procedures at high cost hospitals, so many people are retained for failure to settle their bills. Through the *Harambee* spirit, many people have benefited from donations from well-wishers. If we ban *Harambees*, our people will die because they cannot get money to settle their medical bills. *Harambees* are important to the disadvantaged in the society. It should continue.

Those who want to do away with *Harambees* should not even attend them. They should leave those who are willing to contribute to continue.

Hon. Speaker: Hon. Members, I must inquire whether Hon. Members want to contribute to this Bill. Member for Gem, do you want to contribute to this Bill?

Hon. Member: He is not in the Chamber.

Hon. Speaker: Member for Wundanyi, do you want to contribute to this Bill? Ungependa kuuchangia Mswada huu?

Hon. Mwadeghu: Ndiyo, Mhe. Spika. Nakushukuru kwa kunipa nafasi hii ili niweze kutoa mchango kwa Mswada huu, ambao umezua hisia tofauti miongoni mwa wananchi na Wabunge. Kama tunavyojua, michango imeisaidia nchi hii, haswa wanafunzi na wagonjwa. Harambee zimetoa mchango wa kutosha katika nchi hii. Shida inatokea mchango unapochukuliwa kuwa kigezo cha uongozi bora, haswa inapodhaniwa kwamba kiongozi ambaye anazunguka nchini akitoa michango mingi ni kiongozi bora kuliko viongozi wengine, bila ya watu kufikiria kuhusu mahali ambapo kiongozi huyu anazitoa fedha hizo.

Kuna uzuri wa michango. Ningependa kusema wazi kwamba katika eneo la Pwani, miradi mingi imefanywa kupitia michango. Shule nyingi zimejengwa kupitia michango. Vile vile, watu wamesaidiwa kwenda shule na kufanikisha masomo yao kupitia michango. Watu wamesaidiwa kulipa gharama za matibabu katika hospitali kupitia michango. Hatuwezi tu kuamka leo na kusema kwamba michango haitakuwepo tena. Suala hili ni sharti liangaliwe kwa undani ili tujue linalohitajika kufanyika. Sikatai kwamba kuna watu ambao wametumia michango vibaya. Watu wengine wamefanya michango na kukataa kutoa hesabu. Ni muhimu kuangalia sehemu ya michango inayotumiwa vibaya. Ni muhimu pia tuangalie sheria inayofaa kuwekwa maanani ili ionekane wazi kwamba ikiheshimiwa michango itafanyika kwa njia ya uwazi na wala sio kutapeli.

Mhe. Spika, mara nyingi watu wametuma jumbe kwenye runinga au kwenye simu za mikono ama kuandika barua wakiomba michango ya watu wagonjwa au wale ambao wamekufa. Baadaye, ukifuatilia kwa undani utaona kwamba hayo yote ni utapeli, na hamna jambo lolote kama hilo. Tunafaa kuangalia sheria itakayowekwa ili michango isitumiwe vibaya na ili nafasi hii isipotoshe watu na tusinyime wale watu ambao wanahitaji michango nafasi ya kujiendeleza.

Mswada huu unafaa kufanyiwa marekebisho kwa kuweka vipengele ambavyo vitahakikisha kwamba wale ambao wataomba michango ni watu ambao wanastahili kupata msaada ili tuhakikishe ya kwamba wanafunzi ambao wanahitaji kusaidika wanasaidika. Tukiwafungia watu wote kwa kupitisha sheria hii basi, watu ambao wana nia nzuri ya kusaidiana na kusaidiwa wataathirika. Tutakuwa tumewanyima nafasi nzuri ya kujiendeleza.

Ninavyozungumza hivi sasa, watu wengi wanahitaji matibabu. Mara nyingi tunapopata maombi ya kuwasaidia wale ambao wameathirika, tunakusanyika kama jamii na kuwaita marafiki na kuomba michango kutoka kwao ili tuwasaidie. Mara nyingi watu wanapatwa na ajali

za vifo na wanafaa kusafirisha miili ya ndugu zao kutoka Nairobi hadi Mombasa au miji mingine. Mara nyingi tunaitisha michango. Tukiupitisha Mswada huu na kuharamisha michango, tutafanya nini? Sio familia zote zina uwezo wa kugharamia au kufidia gharama za matanga, na ujenzi wa shule na hospitali. Tukifunga michango kwa sheria basi tutawanyima watu hao nafasi ya kusaidiwa na wale ambao wana uwezo. Mara nyingi watu wanakutana na kuchanga kiasi kidogo cha pesa kwa muda fulani, na mwishowe wanaweza kumudu gharama iliyokuwa inawatatiza.

Maoni yangu ni kwamba Mswada huu urekebishwe ili watu ambao watachangiwa kwa sababu moja au nyingine waweze kuwajibika na kupeleka ripoti kwa msajili kuonyesha jinsi fedha hizo zilivyotumika, kama itakavyopendekezwa ili watu waone kuwa pesa ambazo zimechangishwa zimetumiwa kwa minajili ambayo ilikuwa inahitajika. Kama ni karo, basi ijulikane kuwa mwanafunzi amechangiwa kiasi fulani cha fedha na fedha hizo zimetumika kwa njia inayostahili. Iwapo ni gharama ya hospitali, basi gharama hizo zigharamiwe na wenyewe watoe stakabadhi za kuonyesha kwamba walichangiwa fedha kiasi fulani na jinsi ambavyo fedha hizo zimetumika. Kama ni fedha za mazishi, basi iwe hivyo hivyo.

Ninapinga pendekezo la kuondolewa kwa ujumla mambo ya michango. Msimamo wangu ni kuwa michango iendele. Tunafaa kuifanyia marekebisha sheria husika kwa kuweka vipengele ambavyo vitawashurutisha wale wanaochangiwa – iwe ni wanafunzi, wagonjwa au makanisa – kutoa stakabadhi zitakazoonyesha kwamba fedha zilizochangishwa zilitumika kulingana na maombi yao.

Kwa hayo mengi, naomba kuweka tamati, nikiwaomba Wabunge wenzangu waniunge mkono ili tusije tukalazimika kuunda kamati ya uwiano kati ya Bunge la Kitaifa na Bunge la Seneti ili jambo hili lifanyiwe marekebisha. Naomba Mswada huu upitishwe na wenzangu, tukizingatia suala la kupendekeza mabadiliko.

Hon. Speaker: Hon. Members, before I proceed, I would like to recognise students and pupils from the following institutions, who are seated in the Public Gallery: St. George's Girls' High School from Dagoretti North Constituency, Nairobi County and Chepnyal Boys Primary School from Kapenguria Constituency, West Pokot County. They are all welcome to observe the proceedings of the National Assembly.

Let us have the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Speaker, I stand to oppose the Public Fundraising Appeals Bill. I oppose it for two major reasons. One, I come from the Muslim Community and fundraising and charity is a cardinal responsibility of each and every person who believes and is of the Muslim faith. Charity and helping the poor and the sick and building mosques and *madrassas* is a virtue and is part of the leadership qualities of each and every Muslim.

Two, this particular piece of legislation is going to be very dangerous. I want Members of Parliament to listen to me. If we pass this Bill, it will set the stage for an election offence. There are people out there waiting to see what you will do the moment this Bill will be passed and assented to. They will use that to challenge your election. Remember when the select committee on the Independent Electoral and Boundaries Commission (IEBC) met, one of the pieces of legislation they deleted was the one on gathering and enticing people with food. It was an election offence for people to come to your house during the campaign period and you give them water or tea. People can come to your house or your personal assistants or relatives can go and participate in a fundraising and somebody can use that to challenge an election.

It is African culture for those who are endowed with resources to share. I want to narrate how it is an African culture from a Somali point of view. Those of us who keep cattle and whose

camels do not produce enough milk during the dry season are given milk and sustained until the drought period is over, by those whose camels have enough milk. It has been traditional. There is nothing wrong for Hon. K'Oyoo who, during his days in the Kenya African National Union (KANU) and even now, is endowed with resources, to be my guest of honour if I have a cancer patient in Garissa. In the Bible and the Quran, the hand that gives is blessed thereafter. It is not the hand that is giving but the heart. You can have resources in a very modest way and you can help people. I am sure Hon. Nyenze will tell us. This fundraising appeals and curtailing is suspect. I do not know the intention of Senator (Prof.) Anyang' Nyong'o, a man I respect a lot.

This Bill does not say it curtails public officers and State officers. What about those who are competing with you? Our competitors can do fundraisings and we cannot do the same. This was a very hot issue in the last Parliament when the Bill on campaign financing and *Harambees* was brought to this House. I really urge my colleagues to send this Bill to Mediation Committee. Let us select a few members to go and re-look at it. If we see a place where we feel *Harambees* will become an abuse, we put a law. We cannot have a blanket ban and create a law that says there should be no charity. Churches must be built. We were told not to use the National Government Constituencies Development Fund (NG-CDF) to build churches, mosques, Islamic and Christian schools. The only way out is for us to play a role in making sure many religions we believe in assist the poor people we represent here in Parliament, especially the sick. How many of us draw cheques every weekend to assist poor parents? How many of us pay air tickets for the sick that are being taken to India? How many of us contribute something to a church or a mosque that will help the poor to go and pray to their Almighty God?

I come from a background where I was brought up and taught that I must share whatever the Almighty God has given me with the less fortunate and the community. My resources are communal. The wealth I have belong to the Kenyan Community. From my heart, I am under obligation to help. I even go with my colleagues to contribute to church functions. My colleagues help me build mosques. I have gone to many churches and given contributions. Many of my Christian colleagues have come to Garissa. The last time I had a *Harambee* to build a mosque, I had over 45 Members of Parliament, and 40 of them were Christians. From that point of view, let us oppose this Bill. Let us form a Mediation Committee, let the leadership be consulted and let us see what is good and what is bad. That is what Hon. Mwangi, the Minority Whip, has said.

I beg to oppose.

Hon. Speaker: Hon. Bishop Mutemi.

Hon. Bishop R. Mutua: Thank you, Hon. Speaker, for giving me the opportunity to oppose this particular Bill. This Bill does not recognise the fact that many leaders we have in Kenya today were actually educated using the *Harambee* spirit. This particular Bill does not take into account the poor and the vulnerable members of the society who require to be assisted in different ways. This Bill assumes that only politicians and civil servants are called to contribute during fundraising. This Bill goes against our African culture of sharing whatever we have and to make sure that our brothers and sisters also come up. This Bill also opposes the Christian spirit where we are supposed to become our brother's keepers. We are supposed to give. In fact, the Bible says it is more blessed to give than to receive.

So, whatever motive this particular Bill has cannot be a good motive. It can only be a motive of competition where somebody feels that others have more to give and, therefore, because you cannot match their standard, you want to kill this spirit. Let us allow Kenyans to contribute to the causes they feel they are entitled. In case you strongly feel that the cause is not justifiable, then you are free not to contribute because contributions in fundraisings are not

compulsory. They are actually voluntary and you can say no to the causes that you do not want. It is dangerous for us to say there will be no more fundraising. It is going to become retrogressive. It is going to be misused and abused. I feel we cannot agree to abolish the *Harambee* spirit in this country. We must only protect it from being misused.

There is one area I am not comfortable with. We use NG-CDF to build classrooms and then we go ahead and call for a fundraising for the same event. In such cases, we can come up with a law to show the things that are supposed to be financed through NG-CDF and those that cannot be financed through public fundraisings. Those cases can be isolated and regulated. We can have a law that takes care of that. But we cannot turn our spirit of generosity and assistance against one another.

I oppose this Bill very strongly.

Hon. Speaker: Let us have the Hon. Member for Gatanga, Dr. Kimani Njuguna.

Hon. (Dr.) H.K. Njuguna: Thank you, Hon. Speaker. I rise to support this Motion but with reservations. Hon. Members, it is very important that we trace the origin and spirit of *Harambee*, which I think is way back in the 1960s. The founding father of this nation introduced the *Harambee* spirit, which was supposed to be used purely on a voluntary basis and for very needy cases. Even then for one to engage in *Harambee*, one had to get permission from the Office of the President. The reason for one to conduct a *Harambee* was well vetted. It was not easy because one had to be accountable for the funds raised. That was the essence of a *Harambee*. However, over the years, the *Harambee* spirit has degenerated; the spirit of voluntary contribution has now been commercialised. The situation today is such that leadership is synonymous to how much you can contribute. It is on such basis that I have very strong sentiments against encouraging *Harambee* as we know it today. We must sober up because this original spirit, where *Harambee* is meant to be voluntary and is actually a calling, is no longer there. Today, you do not even have to get a permit from the chief or any other authority for you to conduct a *Harambee*. It has become a model of development. I belong to the school of thought that *Harambee* cannot be used as a model for development in any country. It cannot replace the development agenda of any country.

We have seen situations where the *Harambee* spirit is being misused in this country, in the churches, schools and funerals. Where I come from we have agendas such as the “*Uthoni*” where they take you to your in-laws in the spirit of a *Harambee*. Honestly, is this what we wanted for this country? Is this what we want to encourage in this country where the spirit of *Harambee* is being misused and there is no accountability at all with regard to funds? The repealed Constituencies Development Fund Act was to ensure that resources trickle down to the grassroots. The idea of devolution was to make sure that resources trickle down to the grassroots and replace *Harambee* which was then a conduit for corruption and other vices.

I remember the retired President Mwai Kibaki never encouraged *Harambee* for 10 years and all of us can see what that regime did for this country in terms of infrastructure, economic growth and development. You can never replace development of any country with *Harambee*. If we have to retain *Harambee*, it must be vetted. Not just anything should pass for *Harambee* so that this spirit is not misused. As at now, it is highly commercialised. It is like leadership is synonymous with how much you can contribute - I do not think so and that should not be the way. In my view, there are so many models that have worked in this country, for example, the NG-CDF, the Youth Enterprise Development Fund, the *Uwezo* Fund among others. However, if we do not control the way *Harambee* is currently used in this country, there is a risk that moving forward, it can be very dangerous. I am for controlled *Harambee*. Whatever you are raising funds

for must be vetted and funds raised must be accounted for. Otherwise as at now, *Harambee* spirit in this country is grossly commercialised and misused. If we must have it, it has to be highly controlled and regulated.

Thank you, Hon. Speaker.

Hon. Speaker: Let us have Hon. Hassan Mwanyoha.

Hon. Mwanyoha: Asante sana Mheshimiwa Spika. Kuna mtu hapa analia akisema umenihurumia zaidi kwa sababu yeye amebonyeza mbele yangu. Hata hivyo, achana naye. Nataka kuchukua nafasi hii nikushukuru kwa kunipatia wakati huu. Ni fikra yangu kwamba walioleta Mswada huu hawajui wanakoelekea. Mimi naupinga kikamilifu. Mtindo wa Harambee ambao umeletwa na mwanzilishi wa taifa hili, Mzee Jomo Kenyatta, uungwe mkono mia kwa mia na watu waendeleo na shughuli hizo kila uchao.

Mheshimiwa Spika, wengi hapa hawataki kujieleza lakini tunajua kwamba wamesomeshwa kwa njia ya Harambee. Hata nakumbuka siku moja nilienda Harambee ya Mheshimiwa Duale, tukamchangia kwa sababu hili ni jambo ambalo ni muhimu sana. Kwa hivyo, ikiwa kiongozi wa walio wengi alifanyiwa Harambee, mwingine nani ambaye anaweza kusema ya kwamba Harambee hazifai?

(Applause)

Mheshimiwa Spika, ingawa rafiki yangu hapa pia amesema kwamba kuwe na marekebisho ili mradi ambao umefanyiwa kupitia kwa NG-CDF usifanyiwe Harambee, mimi nataka kumwambia kwamba hata kama mradi umegharamiwa na NG-CDF lakini umekwama bado, Harambee ni muhimu. Ningependa kumfahamisha ndugu yangu ya kwambe pesa ya NG-CDF haitoshi kabisa kumaliza tatizo la uhaba wa mijengo katika nchi hii.

Mimi naunga mkono kauli kwamba Harambee ziendelee haswa nikijua ya kwamba Serikali haitii mkono wake katika masuala ya makanisa na miskiti. Mambo ya Harambee kama alivyozungumza mwenzangu ndiyo yamefanya wagonjwa wengi waweze kupata tiba nje ya nchi hii. Kwa hivyo, yeyote anayepinga suala hili basi ana kichaa fulani ama ana upungufu ambao yeye mwenyewe hajijui.

Asante Mheshimiwa Spika na mimi ninapinga.

Hon. Speaker: Let us have Hon. Grace Kiptui.

Hon. (Ms.) Kiptui: Thank you, Hon. Speaker. *Harambee* was meant to be a noble idea. However, over time, it has mutated into a programme. We are now beginning to almost do *Harambee* for everything. As my colleague has said, it cannot be a model of development in any country. It should be an exception instead of the general rule.

Hon. Speaker, I want to believe that Hon. Nyong'o must have looked around and noticed that there are a lot of abuses in the process. We have seen people who claim to be raising money to send children abroad only for them to turn around and buy a car or a plot. In as much as it is a very good thing, there have been abuses along the line. Sometimes we believe that it makes people relax instead of planning for their lives. Therefore, *Harambee* has to be regulated in order to weed out the abuses and we remain with the genuine cases. However, we cannot ban *Harambee* altogether. Maybe, we need to regulate them to some extent.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Christine Ombaka, you have the Floor.

Hon. (Ms.) Ombaka: Thank you, Hon. Speaker for giving me this opportunity. I support the Bill for various reasons. First, *Harambee* has existed historically and for a very long time. In

my community, it was there long before the word “*Harambee*” came into being. People used to meet and till the land for a family. The next day, they would go to another family’s home and do the same. It was called ‘*solro*’ which means *Harambee*. It has been there and it is part of our culture. We have always contributed to support people who need help.

Over time, it came to be called “*Harambee*” and this is good. *Harambee* has its own functions. It is a process which enables communities collect resources and undertake certain projects which cannot be undertaken by individuals. There is *Harambee* for school fees, for medical care, building a house, funerals and things which are too expensive for a family to undertake. If you look at the intentions of *Harambee*, you will find that they are noble and useful. Therefore, we should continue embracing the *Harambee* spirit.

I want to support people who have stated that the *Harambee* spirit has been abused very much such that some of us are guests of honour at every *Harambee* function that takes place in our constituencies. You are given a card with your name printed on it. This is the case and yet nobody bothers to consult you in advance. You would find yourself having ten *Harambee* functions in one week. How can you be a guest of honour all the time when nobody has told you in advance that you are one? You only find your name printed on the invitation card. The fact that too many *Harambee* functions are organized without any control makes it too expensive for an individual to contribute to all of them.

In my view, we need to control how often a particular church or community conducts *Harambee*. You may find *Harambee* being conducted in one school after every three months. How many times must a school conduct *Harambee*? Do we need one after three years or every year? We need to know the timing, the institutions that conduct them often and those that have never conducted one so that we can balance the way we contribute. Otherwise, the exercise is very expensive and exhausting. Leaders cannot participate in *Harambee* every week because they contribute their own money.

The *Harambee* spirit has been abused to the extent that very many projects initiated by *Harambee* funds stall. Once a group of people conducts *Harambee* and collect a lot of money, it breaks up and the money “disappears”. Therefore, control of *Harambee* is required. We need to have controls in terms of who conducts *Harambee* and how we contribute. The organizers must account for the money they receive. Nobody is against *Harambee* but accountability is lacking. Many millions of shillings are collected through *Harambee* but the money “disappears” in a short while and you do not see any project being implemented. That is why we need to vet the projects and agree that *Harambee* should be conducted. Licenses should be issued to organizers of *Harambee* functions.

Hon. Speaker, *Harambee* is not bad. What is not good is the manner in which many *Harambee* functions are conducted nowadays. There is too much carelessness amongst the organizers and very many functions take place without control. It is good for churches to conduct *Harambee*, but many new churches keep on emerging because *Harambee* monies are readily available. A person who has been a member of a big church leaves it for no reason and starts a small church next door. He then organizes *Harambee* but if he does not have enough flock in that church, he runs away and joins his former church. This means that the money realised from the *Harambee* has gone to waste because the project has collapsed.

I strongly feel that control of *Harambee* is necessary. I should not be misunderstood to be saying that I do not want *Harambee*. All I am saying is that auditing must be done on projects carried out with *Harambee* funds. There must be accountability and the projects must be implemented.

With those remarks, I support the Bill.

Hon. Speaker: Hon. Members, remember that there will be another Motion at 4.00 p.m. Also remember the provisions of the Elections Act, 2011 on fundraising eight months before an election date. Even as we discuss this Bill, we must do so in the context of what the other law provides.

Let us now have Hon. Pukose.

Hon. (Dr.) Pukose: Asante, Mhe. Spika, kwa kunipatia nafasi hii ili niweze kuchangia Mswada huu.

Ninaupinga Mswada huu unaosema kwamba tunataka kutupilia mbali mambo ya Harambee. Ninafikiri kuna kasumba mbaya ambayo imeenezwa na watu ambao wana wivu jinsi mwito wa Harambee unavyoisaidia nchi hii kuimarika. Mwito wa Harambee umesaidia watu wengi. Hatufanyi Harambee kwa minajili ya kujisaidia. Tunawafanyia Harambee wale ambao hawajiwezi kwa namna moja au nyingine. Nimeshangazwa na jirani yangu, Mhe. Ferdinand Wanyonyi aliposema hataki Harambee. Mara nyingi yeye hunialika kwenye mikutano ya Harambee katika sehemu yake ya uwakilishi Bungeni. Nimeshangaa kusikia akisema anauunga mkono Mswada huu wa kukomesha shughuli za Harambee.

Tunajua kwamba Harambee zimesaidia mambo mengi. Kwa mfano, mwishoni mwa juma lililopita, tulifungua kanisa moja kwenye sehemu yangu ya uwakilishi, katika mahali panapoitwa “Kaibe” kwa sababu kanisa hilo lilijengwa kupitia Harambee. Ningependa Harambee ziendele ili wale walio na shida za namna moja au nyingine waweze kusaidika. Harambee huwasaidia watoto werevu kutoka jamii maskini kupata elimu, kujenga makanisa na shule, na hata kugharamia matanga na mambo mengine.

Kwa hivyo, Sen. Anyang’-Nyong’o anakosea anapoleta Mswada na kutaka Harambee ziharamishwe. Mimi, pamoja na Wabunge wenzangu, nitaupinga Mswada huu kwa vyovyote vile. Mwito wa Harambee ulianzishwa na Hayati Mzee Jomo Kenyatta kwa sababu aliona ungesaidia kuimarisha nchi hii. Hii ni kasumba inayosukumwa zaidi na Wabunge kutoka mrengo wa CORD; na haswa chama cha ODM, ambako Sen. Anyang’-Nyong’o anatoka. Katika Bunge hili, wanachama wa CORD ndio wanaosukuma ajenda ya kuharamisha Harambee.

Wakenya wanastahili kuuangalia kwa makini sana kwa sababu haitakuwa vizuri tukiwa na serikali ambayo haitaki wale ambao wanashida wasaidiwe kwa vyovyote vile.

Kwa hivyo, ninaupinga Mswada huu.

Hon. Speaker: For one minute, Mhe. Mwinga Chea.

Hon. Chea: Thank you, Hon. Speaker for giving me this opportunity. I also rise to oppose the Public Fundraising Appeals Bill, 2014.

As I was going through it, I noted the provisions of Clause 20. I am wondering why we have to legislate to bar ourselves as Members of Parliament from participating in this very noble cause. It has been stated here that there are too many benefits of fundraising. Some of us in this House are beneficiaries of this process. We were able to go to school and do many things because of the *Harambee* spirit. Therefore, the culture of *Harambee* has to be encouraged. We should not behave as if we do not live within this society. In any event, it is one way of giving back to the community; a community that spent a lot on us. At any given time, we must give back to the community by raising funds for students, churches and people to get medication. So, this is a very important process.

I have looked at this Bill and it is mixed up. I think it will be breeding corruption when it introduces licences. The process is very complicated because one has to make an application and there will be approvals. In case approvals are not agreed to, one will have to appeal. I do not

think in this time and age we are ready to go into all these hectic processes. In all fairness, this is a Bill that must fail.

I oppose it, Hon. Speaker.

Hon. Speaker: Very well. The time being 4.00 O'clock, allow the Leader of the Majority Party to move his Motion.

MOTION FOR ADJOURNMENT UNDER STANDING ORDER NO.33

ALLEGED MISMANAGEMENT OF KENYA AIRWAYS COMPANY

Hon. A.B. Duale: Thank you, Hon. Speaker. Kenya Airways (KQ) has been performing dismally in the last six years. It has reported cumulative loss of Kshs71.4 billion before tax. Before tax, these losses are broken down as follows: Kshs10.8 billion, Kshs4.8 billion, Kshs29.7 billion and Kshs26.1 billion in 2013, 2014, 2015 and 2016 respectively. This has resulted in the airline being technically insolvent with a negative equity of over Kshs36 billion.

As we speak today, there are overdue payments of over Kshs15 billion to creditors and the short-term loan position is currently in excess of Kshs140 billion. The operational mess has been presided over by both the former and the current management of the airline. To demonstrate that, if you graphically---

(Hon. (Ms.) Gathecha and Hon. (Ms.) Kiptui consulted loudly)

Hon. Speaker, the great ladies of Kiambu and Baringo should lower their voices. Look at the Memorandum of Understanding (MoU) between KLM and KQ graphically. The KLM is owned by Air France. Substantially, the major shareholder of Air France is Lafarge company. Lafarge's presence in Kenya is in Bamburi Cement and East African Portland. The people who represent Bamburi Cement and East African Portland on behalf of Lafarge are Titus Naikuni and Mr. Ngunze. There is a serious relationship in the whole MoU between KLM and KQ from the shareholding of KLM by Air France. Seventy per cent of Air France is substantially owned by Lafarge. How did Naikuni become the Chief Executive Officer (CEO) of KQ and at the same time sit on the Board of Bamburi and East African Portland on behalf of the shareholders of Lafarge? This is something that Kenyans did not anticipate. As we dissect the problem facing KQ, we must put the individuals and the companies that were behind the sorry state of KQ in their place.

The problem of KQ currently and over the last few years has been revenue. Its performance has significantly been behind the company's target. By March, 2015, the shortfall for passenger revenue was in excess of Kshs50 billion resulting in the reported loss of Kshs29 billion. Seventy per cent of the fare being transacted was below the fare passengers were paying. Last weekend, I flew from Nairobi to Mombasa on Business Class and I paid Kshs53,000. We were four Members of Parliament. That is the price that a Kenyan who is going for medication in Bombay can pay. That fare will take you to Istanbul. If you get your ticket in advance, that amount of money can take you to London.

Globally, if you fly from London to Paris, an hour's flight, you will pay US\$50. In Kenya, you will pay US\$600 to fly from Mombasa to Nairobi or from Nairobi to Kisumu. There was a syndicate that was dealing with fares. Fares for all KQ routes were determined by the

commercial department which in turn directly reports to the airline CEO. The fares have been declining significantly especially during the last two years. This has been the reason why low unprofessional fares were being given in some markets.

Hon. Speaker, London which is a key market for the airline, has witnessed very low fares. An analysis in the audit report which was done by Deloitte, and which is in a draft form--- If you allow me, I will give it to Members. They can pick it from my office. It is above the graphics and all that was taking place. The KQ passenger numbers have grown from 3.6 million to 4.2 million between 2011 and 2015. This represents a modest growth of 17 per cent in four years.

In the same period, Ethiopian Airline grew its passenger numbers to 6.9 billion, a growth of 70 per cent when KQ was growing at 17 per cent. The peak in March, 2015 was driven by a growth by Jambojet. Who owns Jambojet? Kenyans must be told who the shareholders of Jambojet are.

Hon. Speaker, look at the customer service. The lack of quality and consistent service by KQ is well known. There are delays, cancellation of flights, overpriced fares among others. After paying Kshs53,000 I was stranded. Many Kenyans in Kisumu, Eldoret and Mombasa, over the weekend between 1200 hours to 1500 hours, were stranded. There were members of various committees of Parliament who were with me in Mombasa. They were told that their flights will leave Mombasa at 3.00 a.m and had to go back to the hotel. Pickup flights were being delayed. That is the kind of customer service Kenya Airways gives to its people.

The commercial department structure has three main sections namely sales; which is responsible for selling, networking, planning and schedule of flights. The next one is the revenue department and the last one is the department that deals with operations. The current head of networking and planning is a KLM employee. This is a conflicting situation and some decisions have to be made to suggest that the individual is working for the interest of KLM and KQ and he cannot be sacked. The Commercial Director and the CEO of KQ, today, cannot be sacked by the KQ Board of Management without the concurrence of KLM. This is because it is in their MoU.

Hon. Speaker, we do not know what the 29 per cent shareholding of the Government of Kenya serves. Every time, this House allocates more money to the KQ. In normal business circles, when a company goes under, if one of the shareholders pumps more resources into that company, then it must be reflected in its shareholding. Every now and then, this House approves bailouts for the KQ. Why is it that our 29.6 per cent shareholding has not changed?

Let me go to the cargo business. The JKIA is a well-known cargo hub for the region. Until 2004, the KQ cargo business was the most profitable business component of the national carrier. Greedy politicians and senior managers of the KQ, including the former CEO Titus Naikuni, came up with a scheme that ultimately sank the KQ to where it is today. Instead of doing what is good for the country, they chose to “descend” the airline for their selfish gains.

The KQ cargo business was---

Hon. Speaker: You have two minutes!

Hon. A.B. Duale: Hon. Speaker, the KQ cargo business was technically diverted to a private firm called Astral Aviation Limited (AAL). An audit report by Deloitte has identified my good friend, the former Prime Minister, Raila Odinga, and his son Odinga Junior as being directors of AAL. Hon. Raila Odinga, I read, argued that he has only one share at the AAL. If you have only one share, how do you become the Chair of the Board? You become the Chair of the Board when you have substantive majority shareholding. So, Hon. Raila Odinga is not holding one share; he is holding more shares.

The AAL has a fleet of five aircraft, including a Boeing 747 wide body, and operates in 50 destinations. How can the AAL, a privately-owned company, continue to grow on the strength of the KQ business while the latter is struggling to remain afloat? This is a moral question. This is what the Departmental Committee on Transport, Public Works and Housing must find out. We kill the 'Pride of Africa', a Kenyan company where the taxpayers own 29 per cent of the shareholding and then we give the business to a company that belongs to us, the political class, and in this case the family of Hon. Raila Odinga.

(Applause)

At the same time, there is a company called "Martinair" which is owned by the KLM, and it continues to do cargo business at the JKIA, and yet this is a territory whose infrastructure is owned by the KQ, a Kenyan company. Martinair comes every morning to collect and deliver cargo. The relationship between KQ and KLM must be looked at afresh.

(Applause)

I have a number of issues to raise. The most important thing is that the relationship between KQ and KLM needs to be revised to ensure that the former does not continue to suffer unduly and unnecessarily from unfair arrangements that I have mentioned.

To start with, the powers that KLM enjoys over the appointment and removal of KQ's CEO and CFO need to be removed immediately. That is the function of this House.

(Applause)

That is not a function of the Senate. The KQ is a national carrier. The Departmental Committee on Transport, Public Works and Housing must look at this audit report and call all those who were involved. You cannot talk about NYS saga on one hand and on the other hand you and your family are involved in serious collapse---

(Applause)

One group is collapsing NYS and another group is collapsing KQ, the Pride of Africa. This House must rise to the occasion. We must call corruption by its true name. Whether you eat NYS money or you eat the money meant for KQ cargo handling facility, we must say it.

The last thing I want to say is that the role played by AAL and KQ senior managers, led by Naikuni and Ngunze and his colleagues in driving KQ cargo component downstream must be investigated. All people mentioned in connection with the mess must record statements at the Directorate of Criminal Investigations (DCI). The immediate resignation of the current Managing Director, Mbuvi Ngunze, must be sought by this House.

(Applause)

Significant steps should be taken immediately to rescue KQ from the slavery of a joint and unfair venture that only serves to kill the Kenyan Airline, the Pride of Africa. A thorough investigation by relevant State agencies should be conducted into the circumstances surrounding

KQ cargo business. I am not doing this because of politics. Let us call a spade a spade. We have a company that has posted Kshs71.4 billion loss in the last five years. Ngunze and my friend---

Hon. Speaker: You have one minute!

Hon. A.B. Duale: Hon. Speaker, when I got concerned, I looked at the history of one Titus Naikuni. He was recruited by President Moi as part of the Dream Team. I found that out. Again, I found out something very suspicious; that Titus Naikuni was part of the negotiating team of the KANU and NDP merger. He represented President Moi on the negotiating table.

(Applause)

I have a feeling that the deal to get that cargo business out of the KQ, maybe, was sanctioned and was part of the merger process.

I rest my case.

(Applause)

Hon. Speaker: Let us now have Hon. Wamalwa.

Hon. Wakhungu: Thank you, Hon. Speaker. I rise to raise my concern about KQ which is a brand name associated with Kenya. We call it the 'Pride of Africa'. When it comes to pricing, this company has been robbing Kenyans. Last night, on my way from Paris here, I used KQ. The services are terrible and their pricing is extremely high.

In terms of shareholding, I want to refer my colleagues that in accounting there is a theory called "agency theory". In agency theory, the responsibility of running an organisation is vested in the management. For any critical decision to go through, the board has to approve. This is the highest time we looked at the management of the KQ, and Titus Naikuni cannot run away from this. Of course, Ngunze cannot run away from this too. From what Hon. Duale has indicated, it is, indeed, a big conflict of interest if at all the KQ is owned by Lafarge. Lafarge is one of the successful multinationals. If you look at their management, people's expertise and experience, most of the time, they have been making abnormal profits. So, when it comes to KQ, you ask the question: Why are we seeing this? There is no way you can have an MD who at the same time sits on the board.

In this context, if Naikuni was the CEO of KQ, and at the same time sat on the Board of Bamburi Cement Limited, which is owned by Lafarge, there was conflict of interest. It is important we look at the procurement aspects. My friend has mentioned the AAL. We do not want to bring politics into this. If at all Raila Amolo Odinga is a shareholder, he is not involved in the running of the business on day to day basis. I want my friend to listen to me because I am speaking as an expert. Listen to me so that you get the difference. When you are a shareholder in an organisation, you have nothing to do with the running of that business. I am a shareholder of Safaricom. We have two types of investors; long-term and short-term. If I am investing in terms of short-term, maybe I want to get some gain but, if I am looking for long-term investment, I want to look at dividends. You can only get dividends if an organisation is making profits.

So, in this context, whether Raila Amolo Odinga owns assets or not, it is not an issue you can connect politics to. It is because it is the CEO and the management. Anybody can buy shares. It has nothing to do with Raila Amolo Odinga. That is why I do not want us to politicise this issue. We want to look at this matter critically.

Hon. Speaker, if you look at Article 226 of the Constitution, you will find that it clearly stipulates that any officer, in one way or another, who has given some direction leading to a loss in a public entity or whatever the case, should be surcharged. In this case, if decisions were made by Naikuni which were not prudent as far as management is concerned, he should be held responsible. How come Ngunze who sits in the Board of Lafarge is the current CEO of KQ? There is conflict of interest.

The Sky Team, in terms of a strategic alliance, should be reviewed if it is not in the profitability of KQ. It can be stopped. It is high time Parliament takes this seriously because Kenyans have been going out to rescue KQ every now and then. We cannot rescue KQ for the money to go into people's pockets. We also need to know who the owners of these planes are.

I am aware we are using the Dreamliners and yet we had the Boeing 777 or whatever they were. We do not know where they are. We need full disclosure. Action must be taken because, as Kenyans, we cannot afford to let KQ to go down. A national carrier contributes highly to the security of a country. That is why we are saying a committee must be put in place so that we know. Let us not bring politics into this.

Thank you, Hon. Speaker. I support.

Hon. Speaker: Hon. Ndung'u Gethenji, you have the Floor.

Hon. Gethenji: Thank you, Hon. Speaker. I raised this point at the weekend even before this matter appeared in our newspapers. It has been a sore concern to all Kenyans when our national carrier and strategic airline, which is meant to bring people to this country for the gains in the tourism industry and corporate business is in the hands of looters and thieves. The Kenya Government continues to pump money into the KQ to bail out the thievery and the looting that is continuing under the current management. The Government of Kenya, for almost four years, has been subsidising the systematic and wholesale looting and stripping of assets of KQ.

As you have heard from the Leader of the Majority Party, the current management is nothing but a continuation of the supervision of the previous management of that systematic and wholesale looting. The Kenya Government must act now. It must capitalise the investment it has made by consistently pumping funds into KQ to bail it out of its loss-making position due to the mismanagement and corrupt practices of the management and rescind the agreement between KQ and KLM. This will enable us take the reign of the institution, the future and the prospects of the airline into our hands, because it is us who have interest in it and not the people who are using our money or taxpayers' money to support their ill-gotten gains.

Going by the things that were said earlier on, it is now apparent that the current and former management of the airline must be investigated and absolutely prosecuted in the public interest.

I have said on this Floor that since we have precedent where public funds have been lost due to mismanagement, theft or suspicion of looting, the individuals should be taken to account, charges are brought against them and they are arraigned before court. How then can we watch KQ go down the drains, the National Treasury pump billions of shillings into the institution yearly and yet the current management continues to enjoy their salaries, positions, big houses and flash cars at the expense of the Kenyan taxpayer after stealing their money? That is a shame. That cannot be allowed.

Even as we speak - I can tell this House - the CEO, Mr. Mbuvi Ngunze, is sending text messages to Hon. Members here in an attempt to coerce them and interfere with their independence.

Hon. Members: Shame!

Hon. Gethenji: Hon. Speaker, we are independent and we are Hon. Members of Parliament. We are here to defend public interest. We should not be sent text messages to be told what to say on the Floor of this House. A thief is a thief and must be called out on the Floor of this House in public interest. They must go home.

(Applause)

In addition, we are very privy to many instances of malpractice by the airline, the management, the commercial department, the under-pricing, the loss of revenue and the stripping of assets. We bought several planes; wide body jets for the purpose of growing the airline in Africa to make Kenya and the JKIA a hub in the continent so that we can channel traffic into the interior. What do we do? We strip those assets and sell them to other airlines and yet we have paid for those airlines as a nation, the National Treasury and as a public. Those assets are now being sold at a loss to the public. What is happening? We have narrow body aircraft like Embraer being brought. We are flying an Embraer to the Middle East and South Africa. How will we compete with other airlines which are flying Dreamliners or A300-330s? How will we compete?

Why pay US\$550 or almost US\$1000 for a Business Class seat to fly to the Middle East and yet you can pay Emirates US\$700 for a seat that is like a bed? You can lie down and be very comfortable. Here, you sit and you cannot even be comfortable. There are people who have medical conditions. These people need comfort when they are travelling long distances because they are susceptible to the Deep Vein Thrombosis (DVT). This is a medical condition that occur when people fly long distances in aeroplanes. So, there is insensitivity on the part of the management on how they perform and their practices. That insensitivity is borne out of a conflict of interest.

(Applause)

Hon. Speaker: Yes, the Member for Seme.

Hon. (Dr.) Nyikal: Thank you, Hon. Speaker. It is amazing that I can hear this today while just two years ago we, in this House, really supported a large amount of money to be given to KQ. I am not sure that those of us who are speaking here today did not have the facts they are giving out today. Sometimes, when we “switch” what we are saying because of political considerations, this country loses a lot. The fact is there has been mismanagement at the KQ. Their air fares are horrible. I was actually shocked that for what I pay between here and Kisumu or Mombasa, I could actually fly from New York to San Francisco. I wondered what this was all about.

On laxity, the poor customer service and even their delays, nobody tells you. Nobody takes care of you when there are delays. We have always been complaining but we came here and said we will allocate them more money. In my mind, there are only two main issues here. That is the MoU between KQ and KLM. Are these things new? They have been there before. A person like Dr. Naikuni has been there before. Is it today that we have suddenly realised that Dr. Naikuni has interest and there is a major conflict of interest?

We have a bad MoU. We also have a major conflict of interest. Even the current manager was in the airline before he got recruited. Were we not aware of this? I am saying this because

once you have major issues like these and you bring political angles to it, we actually lose the point.

Now that this matter has come up despite whatever political connotations that are being brought into it, it is time we took it seriously. We know the people and the MoU. We have mentioned them. Let this matter not just be brought here so that we can have a minor excitement as to who is involved. If you are a shareholder and a company is going down, you are actually suffering. As a shareholder, you may not be blamed because you are like any other person. It is the people managing the company that we should investigate. So, let us not bring side issues but let us look at the reality of KQ.

Hon. Speaker, two years ago, KQ got support from this House and was allocated money when it was going down. If we did not know the small shareholdings, maybe we would not have said anything but whatever it is, the good thing is that it has come out. Let us now look at the facts squarely and stop issues that will make this matter emotive.

Thank you, Hon. Speaker.

Hon. Speaker: The Member for Saku, you have the Floor.

Hon. Dido: Thank you very much, Hon. Speaker. I want to add my voice to this Motion. Without mincing words, this is just another Anglo Leasing or Goldenberg. People are stealing Kenyan taxpayers' money. They are comfortable wherever they are. This House should not accept that.

The KQ is the image of this country. In recent weeks, we visited Tanzania, Rwanda and Burundi as the Departmental Committee on Defence and Foreign Relations and it is cheaper to fly in the East African Region using Air Rwanda or Ethiopian Airlines. Even Kenyans who live in the Diaspora - Tanzania, Burundi or Rwanda cannot afford KQ fares to Nairobi. They have to connect through Addis Ababa or through Dar es Salaam to get to Nairobi. As Kenyans, they feel they should promote their airline by flying KQ, but if the difference in fare between Air Rwanda, Ethiopian Airlines and KQ is about US\$500 then it is unacceptable.

The Sky Team Alliance between KQ and KLM was crafted by very clever individuals. Their idea was not to benefit Kenyans or KQ but themselves. Before the alliance, KQ used to fly to Istanbul but suddenly they said that the route was unprofitable. Today, Turkish Airlines flies almost three or four times to Nairobi, the same route that KQ was told was not profitable.

The Kshs71 billion is a lot of money for Kenyans to lose. It is something that requires serious investigations and the individuals behind this scam must be brought to book and made to pay. Among the companies that are doing business in Kenya, Lafarge and the East African Portland Cement are the most profitable and yet KQ, the single Kenyan company they do business with is suddenly becoming insolvent and unprofitable.

Hon. Members, we are staring at a serious scam. We should not fear to add our voices to this and say that we are not going to throw away good money after bad money. That is what this House did two years ago by allocating KQ Kshs26 billion to bail it out. Suddenly, we have found out that this money is being taken by very clever and smart individuals who have companies entrenched within KQ.

One of the things that has come out is that managers are part of the supply chain within KQ. How can you be a manager and yet you are one of the suppliers of that company? I support this Motion. Parliament must move with speed so that those behind this scam can be brought to book and KQ must be ---

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Members, when you see the yellow light, it means you have one minute and when you see the red one, you have 30 seconds. So, do not just sit immediately you see the red light. You still have 30 seconds. I am saying this because I have seen some Members who see the yellow light and take off. Hon. Rasso, I know that tomorrow you will not sit quickly.

Let us hear the Member for Gem.

Hon. Midiwo: Thank you, Hon. Speaker for allowing me to contribute on this Motion. The other day I met a friend who was flying on KQ from London. He had gone to buy a Business Class ticket from the KQ Office in London. He was told to come to Kenya and go back to London on Business Class, it cost about US\$5,000. So, he went to KLM and bought the same ticket for below US\$2,000. He was put on the same KQ flight to Nairobi. Something is definitely amiss. How I wish the truth about KQ could come out. I know it cannot come out in two-and-a-half hours' debate. I know Hon. Members are ventilating out of frustration and anger with the wanton theft that has gone on for years at KQ.

It would be foolish not to assume that KQ can be made to be a functioning company without nationalising it. The State must correct the mistake it made. No country develops, with the exception of the United States of America, without a national carrier. There is no country without a national carrier. You cannot privatise. What happened to the Kenya Bus even in our City? Unscrupulous politicians--- Do you expect Nairobi to be a city without transport or with some rudimentary *matatus* ferrying Kenyans to work? When they go on strike, nobody goes to work and the effect on our economy is big.

I once attended a rally in Arusha Stadium when the East African Protocol was being signed. I heard President Yoweri Museveni ask why it is more expensive for a Ugandan to fly from Entebbe to Mombasa than to fly from Entebbe to London even if we are serious about tourism. Something is definitely amiss. One of those things, because I have heard my friend, the Leader of the Majority Party, trying to deviate from facts, is that out of the fleet of 33 planes KQ owns, 90 per cent of them are owned by Naikuni and a certain family in this country. Ninety per cent of them are owned by Dr. ole Naikuni and a certain family in this country. That is not an airline. Even our 29 per cent ownership is unknown. Who do the companies which came to the fore and are registered in Jersey Island belong to? Where is the report of the investigation by Prof. Anyang'-Nyong'o? We cannot sit here and lament when we can get the facts. We must know that there are people sitting in office today who are enjoying the downward spiral of KQ. I want to tell the House that all over, cargo services are privatised because they are tedious. When you come here to talk about such an issue and say that Hon. Raila and his family should explain--- Cargo business is not the core business of KQ. That is a side show because this company is not functioning. We must find out the truth. I recommend that Hon. Duale should not stop there. We should have a select committee---

Hon. Speaker: How many minutes should I add you?

Hon. Midiwo: Two minutes, Hon. Speaker.

Hon. Speaker: Very well. You chose two minutes.

Hon. Midiwo: Hon. Speaker, what is neater so that we can get to the bottom of this is a select committee. We should not throw words around. We need to know. The Embraer planes from Brazil are owned by non-Kenyans. How sad that the families of the people who took an oath on the Bible to never steal from us are stealing from Kenyans! We know them. You cannot peddle their names on the Floor of the House without evidence but we can do so in an investigation through a select committee, if you allow us.

I want to ask the Leader of the Majority Party to set up a small select committee to help us find out because what happened is sad and it is the issue of Lafarge.

An Hon. Member: Transport Committee!

Hon. Midiwo: Hon. Speaker, the Departmental Committee on Transport, Public Works and Housing has been here for the last three years and yet KQ has been falling. Why do you keep insisting on committees? I am sure that if you go to the records of the Departmental Committee on Transport, Public Works and Housing, the issue of KQ has been there for over five years. That is why we need to investigate.

Hon. Speaker, even if you will be the Chair of the Committee, we owe this to Kenyans so that we find out the truth.

We also need to investigate the mess at the Kenya Airports Authority (KAA). I came from the United Arab Emirates (UAE) the other day. There is a *mabati* terminal at the entrance to our airport. We are giving money unprocedurally to KQ which is making losses. This is because the people that control---

Hon. Speaker: Let us now have the Member for Nakuru Town East.

Hon. Gikaria: Thank you, Hon. Speaker, for giving me this opportunity. Let me take this opportunity to thank Hon. Duale for moving the Motion for Adjournment so that we can discuss this very important issue that is affecting the national carrier, namely, KQ. I agree slightly with what Hon. Jakoyo Midiwo has just said. It is important for us to get to the root cause of this either by forming a select committee or asking the Departmental Committee on Transport, Public Works and Housing to investigate all that has been alleged by the Leader of the Majority Party so that we can know the truth.

As the Member for Nyatike said, it is very unfortunate that just the other day we were convinced, as Parliament, to allocate funds in the Budget to salvage KQ. We are now, again, hearing about issues which are very surprising. I support the Leader of the Majority Party. There are some people who are fond of calling others names particularly with regard to corruption-related matters. It is high time that Kenyans are told whether what Hon. Duale has just alleged is the truth. It is unfortunate for people to call others names such as “the high priest of corruption” and things like that when they are involved in the same cartels that are bringing down very important institutions in this country.

I listened to Hon. Duale talk about Parliament allocating an upwards of Kshs70 billion to KQ. This is not small money. That money could have salvaged the company. I had an opportunity to listen to Chris Kirubi when KQ first reported a loss of Kshs26 billion. The things that he raised were very fundamental and the Committee should look at them. One of the things that Chris Kirubi mentioned is the MoU between KLM - Royal Dutch Airlines and KQ. He said that KLM are the financial advisers of KQ. This is the case and yet they advise KQ to stop using some routes which the KLM plies and gets a lot of money.

He also mentioned some politicians who are involved in hefty business with KQ and charge for jet fuel. He said it very clearly that there are some politicians who were involved in procurement malpractices and sell jet fuel at twice or thrice the normal market price. This is something that we need the Committee to look into.

Hon. Speaker, as Hon. Jakoyo has said, I propose that we form a select committee that can give us a comprehensive report. If the committee is formed, let it not have some sacred cows. There are some people who are above our laws. Even if they are summoned to appear before a committee, they refuse to do so. If Hon. Raila is mentioned and is summoned to appear before the select committee, he must appear and give his side of the story instead of going to the Press

to give his story. It is important, as it has been suggested, to have either a select committee or the Departmental Committee on Transport, Public Works and Housing investigate this matter. If Raila is summoned, he must appear before the committee.

Hon. Speaker: Let us have the Member for Muhoroni.

Hon. Oyoo: Thank you very much, Hon. Speaker. I have been waiting for my turn. This is an opportune moment for Parliament. I urge my colleagues to keep a level head so that we delve into this matter without bringing in politics. I would like to pick up from where my good friend has left.

This issue is about taxes of Kenya and the image of our country. We need an investigative mechanism. I propose that another committee investigates this matter and not the Departmental Committee on Transport, Public Works and Housing because it has been there. Many things have been mentioned before the House by my very good friend.

It is very unfortunate that he will not come to Parliament in the next term because he is still trying to look for his leverage to see whether to vie in Garissa Township or Balambala Constituency. He is a brain that we do not want to miss in this House. It is fortunate that I have gone back to the ODM, and I am assured of coming back to Parliament. I will be here to sign for food and entertain the elitist Leader of the Majority Party.

The KQ is supposed to be the Pride of Africa but we pay a lot of money to fly to Kisumu. As a leader, you do not expect me to sit---

(Laughter)

Every weekend, I fly to Kisumu and back to Nairobi. You do not expect to see me at the tail of the flight. I pay through the nose for the 30-minute flight because I pay Kshs40,000 upfront. There is nothing to write home about it but I am very patriotic. Every time I fly out of the country, even if it is at the behest of my mentor, the Speaker, for a committee retreat, I make sure that I use KQ or KLM. This is because I want to add value to my country but little did I know that I am adding value to a few vultures capitalising on the ignorance of Kenyans.

(Laughter)

It is very sad. We must delve into this issue with a lot of sobriety. If there will be a committee to investigate it, let us not have people who have jittered minds – those who when they hear Raila’s name, they get mad. I understand there is a family that is believed to own most of the aeroplanes that ply through the local and European routes. These people should be called here so that Kenyans can know the truth. We should do something that will once and for all make KQ the Pride of Africa. If those who stole our money are hiding somewhere enjoying their wealth, we must disrupt their holidays very rudely.

(Laughter)

This is very bad because we have very young people who have promising careers at the airline. Every time the airline is disturbed financially, those young people are “offloaded” and yet some people continue “plucking” money, going on holidays and living in utter comfort. We will not allow them to continue doing that. This Parliament should not be used as a rubberstamp. We are talking as if the Jubilee Government did not appoint the Cabinet Secretary in charge of

Transport and Infrastructure. What is the Cabinet Secretary for Transport and Infrastructure, Mr. Macharia, doing? What is my friend, Hon. Nkaissey doing? He should summon Lafarge, who are on holiday. They should be locked up without bail. Our children want employment. The Government set up KQ using public resources. We have continued to allocate the airline a lot of money although it is a private company. We have exercised a lot of consideration for it. We have a few people who are sacred cows. They want to loot and run away with our money. We will not allow them to do that. Our airline has become a brand name but it is being brought down by a few people. This Parliament should not be compromised.

Hon. Speaker, when we finally give Hon. Duale authority to lead this committee, he knows who he must start with. I have a lot of information that I cannot give here. I will face the committee and give them the facts.

I think this is an opportune moment that we should not let go. The airline must be redeemed by doing all that must be done by saying the truth.

I support, Hon. Speaker.

(Laughter)

Hon. Speaker: Let us now have the Member for Endebess.

Hon. (Dr.) Pukose: Thank you, Hon. Speaker. I would like to thank Hon. Duale for raising this issue. This shows that the Jubilee leadership is sensitive to the issues affecting our institutions.

I would like to caution the Leader of the Majority Party and Hon. Midiwo to avoid the usual suspects when they form the committee to investigate this matter. We will reject any mischievous list just as we rejected the other list that was supposed to investigate betting in our country. We should have a change in the committee that will investigate this issue---

Hon. Kajwang': On a point of order, Hon. Speaker.

Hon. Speaker: The Member for Ruaraka, what is your point of order?

Hon. Kajwang': Hon. Speaker, did the Hon. Doctor say that there are usual suspects in this House? If they are here, can he let us know them so that we can keep away from them? He should also tell us what they are suspected of.

Hon. (Dr.) Pukose: Hon. T.J. Kajwang' is a respectable lawyer. He was my interim Chairman when we founded the Student Organisation of Nairobi University (SONU) in 1992. What I meant is that when we formed the Committee to look into betting and lotteries in this country, we rejected the list. It was not because we did not want the investigations but common names that always appear in committees were appearing and yet we have other able members in this House who can also do the same job.

(Hon. Midiwo nodded his head)

Hon. Speaker, Hon. Midiwo has got it and he is happy. The airline of our neighbouring country, Ethiopia, is doing very well. It is a national carrier and it is controlled by the State. Although the Ethiopian economy is controlled by the State, ours is liberal. We can borrow a leaf from their system. The State should have a say in the management of KQ. It is a national carrier and the pride of this country. We allocated KQ a lot of money because it is a national carrier and it should not go down. It should be saved from the losses it is making.

Hon. Speaker, there are buses at the airport which were been hired to transport passengers from the aeroplanes to the airport clearance area. Those buses cost a fortune and yet they cover a distance that you can walk. It is a fleecing mechanism through which KQ makes losses.

The KQ customer care is wanting. In most cases, there are delays. This makes one avoid the airline. We are told to observe time for boarding in our business lounges. In other airlines, there are screens showing boarding times for various airlines. We should have those mechanisms fixed in our business lounges.

The Leader of the Majority Party should come up with a better way of handling this issue. We have the responsibility of saving KQ.

Hon. Speaker: Yes, the Member for Ugunja.

Hon. Wandayi: Thank you, Hon. Speaker. I would like to make a few comments on this matter.

I agree with my colleagues that this is a serious matter that requires more attention than we are giving it this afternoon. What we have been told here is just a tip of the iceberg as far as KQ is concerned. I am convinced that Dr. Titus Naikuni and Mr. Ngunze are the “small fish” in this circus. The real sharks have continued to hide in the background. The real sharks are people who control the power of the State. Given time, I will demonstrate this. That is why I support the constitution of that select committee so that we can deal with this matter appropriately and into depth so that the truth can come out.

I also agree with my colleague, Hon. Jakoyo, on the fact that the cargo handling division of any airline, or at least, the Kenya Airways, may be profitable, but is not a core business of the airline. Perhaps, it is true that it was making money for the Kenya Airways before it was outsourced. Who tells you that it is now not making more money through the outsourcing to the Astral Aviation Limited (AAL)?

A mention of people’s names in this saga has been made against the rules of the House. That is very unfortunate. However, I want to say that it is not a crime for any Kenyan to own shares in any business whatsoever. Therefore, Hon. Raila Amolo Odinga, my very good boss and leader in Orange Democratic Movement (ODM), is within his rights to own shares in any company in the manner he has owned very little shares in AAL. It must also be understood that one Raila Odinga Junior is an adult Kenyan citizen who can do business with anybody and any company. It does not matter who he is related to, either by blood or any other association.

Hon. A.B. Duale: On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Duale, what is your point of order?

Hon. A.B. Duale: Hon. Speaker, based on the audit report, Hon. Raila Odinga and Raila Junior are exclusively mentioned as part of the shareholding that brought down the Kenya Airways because of the closure of the cargo business. There is no problem with any Kenyan, including Members of Parliament, owning shares in any company. Is the Member in order to insinuate that the shareholding of Hon. Raila Odinga; his former Personal Assistant (PA), Mr. Opondo, and Raila Junior in the subsidiary airline is what is at stake as per the audit report? We have no problem with all the other shares he owns in molasses and banks. However, that was a shareholding that was secured in a fraudulent way.

Hon. Wandayi: Hon. Speaker, I hope the Leader of the Majority Party listened to me when I was talking. I have said and I want to repeat that these three individuals, Hon. Raila Odinga, one Raila Odinga Junior and one George Opondo are separate entities in law. You cannot lump them together. However, that is beside the point. The point is that it is not the AAL that has brought down KQ. The fact of the matter--- I can see my time is running out.

Hon. Speaker: Do not worry, I will give you time.

Hon. Wandayi: Hon. Speaker, the fact of the matter is that what has brought down KQ is the irregular and illegal leasing of aircraft to KQ, which has been done over the years by well-connected individuals in this country.

Hon. Speaker: You have an extra minute!

Hon. Wandayi: Hon. Speaker, if the committee is formed, I will volunteer information about the identities of the people who have been involved in the illegal and irregular leasing of aircraft to KQ. People have made a lot of money at the expense of taxpayers. It must also be understood that if for any reason the Titus Naikunis and the Ngunzes were culpable, they should have been arrested long time ago. The reason nobody has been arrested is because the people who are involved in this saga want to continue to play in the background. This House must stamp its authority and I believe the only way to do that is by forming a select committee. This will enable us get to the bottom of the matter.

Thank you, Hon. Speaker.

Hon. Speaker: The Member for Tiaty, you have the Floor.

Hon. Abongotum: Thank you, Hon. Speaker. This is a sorry state of affair. It looks like there is a bigger scheme to bring down KQ like it has been done in other countries. There are many airlines which have collapsed. If this airline collapses, it is going to be a big shame to this country and even to the leadership of this country and Parliament. We must have a strategy of saving KQ.

We must review and renegotiate the MoU. We must do that as a matter of priority. I know it has to be done professionally. I know this was done by a former Managing Director (MD) with KLM. The former MD later disappeared and I do not know where he is. We then brought in Naikuni, and Naikuni and his group have actually let down this country. We talk about losses amounting to Kshs29 billion. I am not sure whether we are going to succeed. I am happy that they have brought in McKinsey Management Consultants to solve this problem. They are paying Kshs45 million every week. That consultancy fee must also be reviewed.

The role of Astral, the company owned by our good friend who sometimes behaves like Caesar's wife, Hon. Raila Odinga, must be thoroughly investigated. This company must be investigated. Most of the time, the former Prime Minister behaves like Caesar's wife, that on matters of corruption, he is Mr. Clean. We can point out very many things, but not today. The role of Astral Limited must be thoroughly investigated. This is the company that brings money to Emirates, Etihad and British Airways. So, we propose that the cargo business must be part of the core business of KQ.

There is the issue of under-pricing and over-pricing. I think there is a big scheme to kill this airline. In some routes, the prices are under-priced. In East Africa, they are over-priced to the benefit of some people. That has to be investigated.

It is shameful that Ethiopian Airline, which is paying its pilots between Kshs400,000 and Kshs500,000, is doing better than KQ. It is even expanding the rate of 70 per cent. I think KQ has better managers compared to some of those airlines. The KQ is also under threat from the pilots' union, which normally sits down and hikes salaries to the extent that it is no longer possible to make profits in this airline. Therefore, I propose we form a select committee to deal exhaustively with this matter.

I thank you, Hon. Speaker.

Hon. Speaker: Member for Ndhiwa.

Hon. Oyugi: Thank you, Hon. Speaker. I will start from where the Member for Tiaty has left. I think we are moving towards agreeing that the House does form a select committee to look into the matter of KQ.

However, having said that, I would like to request my colleagues that there are moments when there are serious international businesses where you do not have to gag political issues to become politically expedient. I know it is good to always talk about Hon. Raila Odinga, but there are moments when we can agree that there are pressing national issues and even if Raila Odinga would be mentioned, at least, not in the manner that colleagues would like to refer to him right now.

Hon. Aden Duale raised two things that I want to underscore. First, if at all the select committee would ever be formed, then it ought to look at KQ as being technically insolvent. That is something that we need to look at and give it considerations.

Secondly, with regard to conspiracy on the holding, as my honourable colleagues have said, it looks like we got a raw deal in the Memorandum of Understanding (MoU) that KQ entered into with other airlines. We need to look at an MoU that is favourable to KQ and one that gives us pride. Over time, KQ's services have always been coming down. The cost of air fare is not commensurate to the services we are given. When you compare the in-flight service and even what you call the Business Class in KQ with other airlines, it does not add up. It is not fair for us to constantly pay up prices and not get service that is commensurate to that particular price.

One of the things that the select committee ought to investigate is the expansion into various markets. A company that needs to make profits ought to understand why it is venturing into certain markets. However, the sort of expansion and airplanes that KQ is buying indicates that someone is really profiting. You cannot want to have a company or business that ventures into untargeted markets which then become untenable. That is one of the reasons KQ landed where it is. When this Parliament voted for Kshs26 billion for KQ bailout, in my view, that was another scam. We must be honest as Parliament that we failed Kenyans by allocating good money to chase after bad money. The idea of giving Kshs26 billion to a company that ought to have been investigated to finality and agreeing on specific details was quite unfair.

Lastly, we need to move with speed, as a House, to ensure that we do that which is possible to ensure that KQ comes back to profitability and, at least gets back to becoming the pride of Africa. We cannot constantly, as Parliament, be whining or making statements that show that we are not in charge. With the hope that there is going to be a select committee, we would wish that it operates within specific and targeted time-frames to deliver on the matter of KQ, so that the airline is brought back where it should be.

With that, I support the Motion moved by Hon. Aden Duale.

Hon. Speaker: Let us have the Member for Emurua Dikirr.

Hon. Kipyegon: Thank you, Hon. Speaker for allowing me to speak to this issue brought by the Leader of the Majority Party, Hon. Aden Duale. It is saddening to hear that a very huge profit-making institution like KQ is on its knees, especially because of corruption. Whenever I look at parastatals that have collapsed in this country because of corruption, I am saddened. Even though we condemn the people who have contributed to the collapse of these parastatals, we are still not able to see any hope in this country. Look at how the Leader of the Majority Party articulated today the fact that the scandal facing KQ has something to do with the former Prime Minister of this country. I feel excited that, at least, some scandal is being exposed. In my village, we normally say that whenever a mad man meets another mad man, he thinks the other

man is mad and yet they are both mad. When you hear somebody trying to expose serious scandals and shouting a lot about it and yet they have been named in several scandals, it is sad.

How I wish this House could speak and walk the talk. We have so many scandals in this country like the National Youth Service (NYS) scandal, the Standard Gauge Railway (SGR), Uchumi Supermarket, Mumias Sugar Company and Triton. Forget past ones like the Anglo-Leasing. Those are old scandals and even if we tried to trace them, we would not get anywhere because they have borne children who have now inherited the scandals. You may remember the Laico Regency scandal. Many parastatals have collapsed.

How I wish the spirit the Leader of the Majority Party expressed here in condemning the former Prime Minister could be used to condemn the scandals that we have had in this country. There are so many pending cases and scandals that need to be investigated. If God has touched him today and he has seen that there is need to bring to book all the scandalous people in this country, then I wish he goes all the way, so that when we are done with KQ, tomorrow he comes up with the NYS scandal, Uchumi and scandals in all the parastatals that have collapsed.

Hon. Speaker, I support any person in this House who wants to stop corruption in this country. I support any Member who comes up with an idea of ensuring that we eradicate corruption in this country, but let us also be sincere to ourselves and to our God. Let us not on one hand speak against corruption and on the other hand, speak for corruption. Even the Bible says that bad and good cannot come through the same hole.

I support the issue of forming a select committee although we have the Departmental Committee on Transport, Public Works and Housing, which has been handling this matter for as long as I can remember. It only means that they are either unable to handle the issues arising or they are part of the cartel that is stealing from KQ. I support the idea that we form a select committee comprising Members in the manner that my brother, Hon. (Dr.) Pukose, suggested. The Committee should comprise Members who are committed. We normally see some faces in Committees and I am sorry to say that some Members look at a scandal and they want to involve themselves in it. They want to be part of the select committee. We wish to have a select committee of this House that can investigate and bring us the true results of that investigation.

I support the formation of a select committee to bring to book the thieves who are scandalising this country.

Hon. Speaker: Just to caution. Hon. Members. Sometimes you may appear to be speaking at cross purposes. The select committee you are talking about will be of Members of this House and I think any Member of this House is entitled to be a Member of any select committee. So, I do not know if you are saying that there are some who are better Members than others or are better qualified. You must be clear about what it is that you want.

(Loud consultations)

I am following the screen. Hon. Members, even if somebody mentions a Committee, there is nothing out of order about that. At your time, you can also say that your Committee is cleaner than the angels spoken about in the Bible.

Let us have Hon. Michael Onyura.

Hon. Onyura: Thank you very much, Hon. Speaker. This is a very important matter for this nation and, as Parliament, we must ensure that we save KQ. If KQ collapses, it will be a big embarrassment to everybody in this country. At the moment, other than our athletes, the only other thing that we are proud of in this country is KQ.

I also support the formation of a select committee to dig deep into this matter and find out the root cause of what is ailing KQ. We would like to know if the problem is just inefficiency or there is theft and wanton wastage of resources. For example, issues of procurement should be thoroughly investigated. Even before we set-up the select committee, the Ministry of Transport, Infrastructure, Housing and Urban Development, which is in-charge of KQ, should be taking the lead by bringing in experts.

I know the aviation industry can be very complicated, but experts can look at the various aspects of how KQ is being run. We should get competent companies or organisations of international repute to carry out a forensic audit of KQ and tell Kenyans what is happening. Even the select committee will require some expert information from the various organisations. We have the Ethics and Anti-Corruption Commission (EACC). What are they waiting for? They should move in and see what is happening.

We used to have the Efficiency Monitoring Unit (EMU), which I do not hear of these days. If it is still there, it should move into KQ and see what is happening with the systems. We should make sure that KQ does not collapse. Some time back when KQ shares were floated, Kenyans bought them enthusiastically. The issue was over-subscribed. I know that Kenyans have goodwill for KQ. They look at it as their own. Even those who have never flown are still proud of KQ and have goodwill for the airline. Therefore, we must do everything possible to save KQ.

[The Speaker (Hon. Muturi) left the Chair]

*[The Temporary Deputy Speaker
(Hon. Omulele) took the Chair]*

Those who will be found to have contributed to the poor performance and the huge losses incurred by KQ should be held responsible. I have heard mention of possible conspiracy. I hope this is not a conspiracy to bring down KQ so that the cartels we are talking about can buy it at a throwaway price. It could be related to that kind of thing. We have serious obligations. I have been going through a few issues about the running of KQ and there have always been strikes, go-slows and high turnover.

Hon. Wandayi: On a point of information, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Onyura, are you interested?

(Hon. Onyura nodded in the affirmative)

Hon. Wandayi: Hon. Temporary Deputy Speaker, he is interested. The Member has talked about cartels which have brought KQ down. I wish to inform him that these cartels are known. In fact, one of them is a cartel of aircraft leasing. If you want to prove it, you need to find out the identities of the persons who own the Boeing 787-8 Dreamliner aircraft bearing registration numbers 5Y-KZA, 5Y-KZB, 5Y-KZC, 5Y-KZD, 5Y-KZE and 5Y-KZF. You also need to ask yourself who are the owners of the Samburu and Amboseli companies – Kifaru and Ndovu Limited – which are involved in this irregular and illegal aircraft leasing. I am informing him and he is very happy with my information. You also need to find out the lease and sale agreements involved in the aircraft owned by KQ. For Embraer, the aircraft involved are FY-

FFA, FY-FFB, FY-FFC, FY-FFD, FY-FFE and so on. This is very vital information because the owners of these aircraft and companies are the ones who have brought down KQ.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Wandayi, we are going out of what we need to do here. Hon. Onyura, your time had lapsed and he was informing you. I want to give direction on what we need to do. Please, listen to me.

We need to debate the issue that was raised by the Leader of the Majority Party. If we agree to establish a select committee to look into this matter, we will define the terms of reference that the select committee will be referring to in the course of its work. I do not think this is the right time for us to go into all these issues as much as they are interesting. I know that they will form part of the issues that the select committee will be looking into. Let us debate because the debate will give us some direction as to where we want to go. Let us listen to Hon. Kenta Moitalel.

Hon. ole Kenta: Thank you, Hon. Temporary Deputy Speaker. I would like to join my colleagues in supporting this debate. In fact, I am happy to see it on the Floor of the House. The first time the KQ issue was brought to Parliament was when it was before the Senate. I did not know what the Motion had to do with the Senate because I thought KQ is a national corporation. It has nothing to do with counties. Therefore, the Motion was misplaced and the delay has cost a lot.

The loss is unimaginable because we are talking of about Kshs74.5 billion in four years' time. That is really terrible. However, I believe we should look at the causes and remedies. The issue of blaming so and so and trying to politicise the issue is not the right thing. I believe when you talk about Naikuni or anybody else, they did not act alone. I believe, as a lawyer, that KQ had a Board of Directors. Board members are the ones who make decisions in the company, but not Naikuni or anybody else. We should not just blame people for the sake of political expediency and embarrassment. I believe KQ got into the hands of busy bodies, wheeler-dealers and people who were out to milk it dry.

The first thing we should do is to form a select committee to investigate the issue and take action as far as recoveries are concerned and to ensure that anything that was illegally done is rectified. An example is the MOU between KLM and KQ. How do you have an MOU that is meant to exploit one of the partners? If you look at the KLM issue, you will see that they were out to destroy KQ to benefit themselves. The first thing that caused this is the sale of KQ shares to individuals and private entities when we knew this was a national enterprise. Parliament allocates money through the annual Budget. How do we allocate money to an institution or enterprise that has shareholders? How do we justify that? You are not the only shareholder, but we put public money there. Government shares should be increased to match what we put into the company through the annual Budget. We should then force out all other shareholders who are not beneficial to us.

The other issue is on staff. You can never run an enterprise profitably when the members of staff are demoralised. There is a time they were on strike. We are now realising that they are hemorrhaging for the benefit of other airlines like the Middle East airlines. That is what we should stop. Even if we revived KQ and we have no competent staff, we will be doing zero work. The expansion of KQ was a terrible thing. As my colleagues have said, why should we not find out who owns these planes? If we do not, we are doing nothing. It does not matter who owns them, these are looters. We should stop destruction of Kenyan enterprises by greedy people who are using their political influence to demolish public institutions to enrich themselves and their families. These are evil people who should be exposed.

When you look at the destruction of KQ, you are looking at the destruction of this country. You are looking at the destruction of our pride, our jobs and anything and everything that this country stands for. When we used to call KQ the “Pride of Africa” after we lost the East African Community (EAC) and had our own airline, we were going somewhere. It is so hurting to see other countries like Tanzania buying new aircraft all the time. Air Rwanda and Ethiopian Airlines are doing the same. I believe we should look at these issues. Let us start with the Committee and punish the culpable people. Let us recover what is owed to us and revive KQ as the pride of Africa. The only way to do this is to own KQ 100 per cent.

Thank you.

The Temporary Deputy Speaker (Hon. Omulele): Very well spoken. We shall now have the Member for Tongaren.

Hon. (Dr.) Simiyu: Thank you, Hon. Temporary Deputy Speaker. One time I had occasion to speak to Hon. Neto, who is widely read and he referred me to a book called *Confessions of an Economic Hit Man*. Indeed, the story we are seeing about KQ is straight from that book. It started happening in the countries where privatisation became vogue. As we privatise national assets, we let in economic hit men to come and start ripping us off. That is exactly what happened here. I know Hon. Duale has labored to tenuously connect Hon. Raila Odinga with the matter. However, the merger of the National Development Party (NDP) and the Kenya African National Union (KANU) happened in 2001. The issue of privatising the cargo arm of KQ was happening in 2004. So, there can be no link to that, the way Hon. Duale was trying to put it. He was just playing politics. He is vintage Duale, the Donald Trump of Kenya.

(Laughter)

Hon. Temporary Deputy Speaker, the reason KQ decided to privatise the cargo arm was because the aim of the people who had taken over KQ was to run it down. They were going to do that by increasing the cost of air tickets, air freights and such costs. So, definitely, they were going to make losses in the cargo handling. So, they had to let that one go first, so that it does not reflect too soon. They sold it off and anybody would have bought it at that time. I remember at that time, I was approached to buy some shares in a group that was interested in that privatisation. So, trying to connect Raila Odinga in this is just vintage Duale. There is nothing to it.

However, the biggest blame is to the Government. All this is happening with KQ being taken as a national carrier and nothing is being done about it. Instead, what is being done is that they keep on approaching Parliament to keep on voting for money for KQ which is a private entity. Why? Because some of the people high up there are scared that when KQ collapses, their misdeeds will be discovered and they would not like their misdeeds to be discovered at the moment. So, they would like to take national resources through this Parliament to KQ to keep it afloat somehow, so that it does not fall under their watch. Immediately they are away, they will let it fall.

Hon. Duale started telling us something about the ownership of Jambojet and he stopped somewhere. He was dead scared. He could not tell us who owns Jambojet. He cannot tell us because those are part of the people who are fleecing KQ. If, indeed, we are serious on investigating KQ, it will bite more on the Government side than the Opposition side. It is good for us to set up a Committee to investigate this scandal.

(Loud consultations)

Hon. Sakaja: On a point of order, Hon. Temporary Deputy Speaker.

Hon. (Dr.) Simiyu: You can see. Hon. Sakaja cannot sit. Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Sakaja, he has mentioned your name, but what is out of order?

Hon. Sakaja: Hon. Temporary Deputy Speaker, is my good friend, Hon. Eseli, in order to start insinuating that this debate is about which side is biting and who is being bitten while all Kenyans are suffering by the imminent collapse of KQ? You should order that we stick to the issues here and whoever is out of order, points it out. Jubilee is not a shareholder in KQ and neither is CORD, but Kenyans trust us to look at the depth of the issue and come up with solutions. I expect that from a leader of his stature.

Is he also in order to say that Hon. Duale is the Donald Trump of Kenya when Donald Trump is known to be a FORD (K) supporter as we have heard him in his rallies speaking like Hon. Eseli Simiyu?

(Laughter)

The Temporary Deputy Speaker (Hon. Omulele): Hon. Sakaja, I agree with you that we should not lose track of where we want to go. We should keep in sight what the Motion is about. We will now have Hon. Joyce Akai, Member for Turkana.

Hon. (Ms.) Emanikor: Thank you, Hon. Temporary Deputy Speaker for giving me this chance. Today, I stand an embarrassed Kenyan, quite ashamed and very sad at what is happening at KQ. The carrier that was once known to be the pride of Africa has been turned to a house of plunder and loot. It is common knowledge that KQ is dead. It has collapsed. It is scandalous and is synonymous with corruption. It has been ailing for the last few years with huge debts, poor customer relations and poor management. Poor investment decisions have been made based on how they bought many planes yet they were already debt ridden with poor operational performance. They have failed to counter competition by hiking costs and not being able to stand to the advantage of their competitors. In 2015, it recorded an over Kshs26 billion loss and the loss figure grew more than 600 per cent in one year. Audit reports indicate flawed transactions, not only on cargo, but in all procurements. It is time we call this quits, investigate and this House takes action, so that all the persons who are responsible for this mess are brought to account and face the full force of the law.

It is ironical that KQ is among the top five airlines in Africa after South Africa, Egypt, Mauritius, Seychelles and Ethiopian Airlines. It is also ironical that it is the seventh largest in Africa. This year, it was voted the leading airlines in Africa by the World Travel Awards. That means that if we did not have the mess, KQ would be rated along with other global best airlines. So, there is urgent need to take action.

With those few remarks, I want to support the Report by the Leader of the Majority Party.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Mwadeghu is on the list and I think we should give him priority at this time.

Hon. Mwadeghu: Asante, Mhe. Naibu Spika wa Muda. Naomba kutoa mchango wangu kwa suala la Shirika la Ndege la Kenya (KQ). Imekuwa tabia ya wanaotarajiwa kuyaongoza mashirika ya Kenya kuhakikisha kuwa yamefilisika. Labda wengine wenu hapa hamna uzoefu,

lakini nataka kuwaarifu kuwa miaka iliyopita, KENATCO iliingia katika shida hiyo. Shirika la Kenya Re wakati mmoja liliingia katika shida hiyo. Shirika la Kenya National Assurance nalo likazamishwa hivyo. Jusi tuliona National Bank of Kenya (NBK) nayo inataka kuzama. Kumbuka NBK ilitumiwa wakati ule wa kahawa za Chepkube. Shirika la Kenya Petroleum Refinery Limited limeuzwa hivyo hivyo kiholela na limeenda. Shirika la Kenya Cashew Nuts limeenda. Shirika la Kenya Meat Commission (KMC) mpaka sasa hatujui liko wapi. Mashirika kama Kenya Planters Co-operative Union, Kenya Farmers Association, orodha ni ndefu yamefilisika, na wale ambao wamehusika mpaka sasa wako na tunawajua.

Naomba tuliangalie Shirika la KQ tuone ni nini kinalifanya liangamie. Nina ufasaha na uzoefu wa masuala ya fedha na uhasibu. Kitu cha kwanza kuuliza ni kwamba, shirika la KQ linanunua mafuta wapi? Ndilo shirika pekee ambalo linanunua mafuta bila kuungana na mashirika mengine ya ndege kuchangia ununuzi wa mafuta? Ndilo shirika pekee linalonunua mafuta kwa bei ghali kuliko mashirika yote ambayo yanahudumu katika Afrika? Hii ni kwa sababu wanaohusika wanataka wapate hizo fedha wajinufaishe wenyewe. Hilo ni suala la kwanza.

La pili, njia ya kutoka Nairobi kwenda Roma iliondolewa kwa KQ? Kwa sababu gani iliondolewa? Hiyo ni moja ya njia ambazo zina faida kubwa sana, lakini likaenda kwa shirika la ndege la KLM. Sote tunaelewa nini kilichotokea.

La tatu, fedha ambazo zinaingia kwa shirika hili zina mipango mingi. Tukiangalia hesabu ambayo inatolewa kila mwaka, utakuta mapato, uuzaji na utendakazi. Wazungu wanasema kuwa 'sales, revenue and operations'. Mapato yake yameendelea kudidimia kwa sababu fedha nyingi zinaelekezwa kwa mikono kadha wa kadha.

Kampuni kama Lafarge iko na wakurugenzi kila mahali. Hilo si jambo la kushangaza kwa sababu ni mbinu zilikuwa zimepangwa awali kuangamiza hili shirika. Tukiangalia shirika la KQ lilichukua ndege kwa mkopo. Ndege zenyewe ni Boeing 707, 767 na 787. Ziko wapi baada ya kuzilipia? Baada ya kuzilipia, tulikuwa tunatarajia ndio zitaanza kuleta mapato. Si ukilipia nyumba unakaa na unasema "Alhamdu lillahi, nimelipa"? Lakini Shirika la KQ liliamua kuuza hizo ndege zote kwa sababu wale wamepatiwa nafasi ya kuongoza hili shirika, nia zao ni tofauti kabisa.

Naomba tuanzishe Kamati ambayo itachunguza na tuwache mambo ya siasa ya kuhusisha huyu na yule. Tutafute Wabunge wenzetu. Tunajuana na tunaelewana. Tutafute watu ambao wataleta ufasaha na wataweza kutoa kwa kina ambacho kimefanya hili shirika lipate taabu na shida kiasi cha kwamba litaangamia.

Nashukuru hili suala limekuja na naomba Wabunge wenzangu tushikane angalau tuokoe nchi hii yetu kutoka kwa majanga haya, na iwe tutaendelea hivyo hivyo. Shirika hili lilikuwa linachunguzwa na Public Investments Committee na hatimaye Mwenyekiti akasema Seneti ilikimbilia uchunguzi huo. Tukakubaliana na tukasema kuwa hatuwezi kuendelea. Kama si sababu ya Seneti, tungeendelea na uchunguzi.

The Temporary Deputy Speaker (Hon. Omulele): Umeeleza kwa ufasaha unaofaa. Tunashukuru. Kwa wakati huu, tutampatia nafasi Mwakilishi wa eneo bunge la Nyandarua.

Hon. (Ms.) Muhia: Thank you very much, Hon. Temporary Deputy Speaker, for giving me this opportunity to speak on this issue which is ailing Kenyans, not only economically, but also in their blood.

Many things have been raised here including poor investment decisions, poor human resource policies, making customer service go down, partnership with African and European airlines, MoUs, but all these things are done by specific people with specific aims, and I would

only call them unpatriotic thieves. It is unfortunate that many countries experience corruption, but in Kenya corrupt people do not have the wisdom to even try and invest back in Kenya. If this MoU was negotiated by directors who aimed at helping the institution, and I want to believe they have negotiation skills, they could only negotiate to the disadvantage of KQ for their own interest. For this reason, institution and the country have lost billions of shillings. Worse still, the 'Pride of Africa' will be the 'Shame of Kenya'.

As a House, we must stand tall. We must make hard decisions. Sometimes hard decisions are called for by the situation. I want to challenge these businessmen to be men enough and compete competitively with KQ, like what other businessmen do in other countries. Virgin Airlines compete perfectly with British Airways. So, there is no issue why these people want to bring KQ down. To whose advantage? Possibly, the select committee will bring this to light.

I do not understand how people can sit round a table and negotiate to the disadvantage of a country in which they are shareholders. They could possibly have negotiated to their advantage and the institution would still have benefited.

We must stand tall. We should challenge the said directors to give Kenyans back what belongs to them and they go and establish their own airline which should compete with KQ. Time has come for this House to make history, perhaps by reviving a law that was one time discussed in this House by Hon. Kang'ata. I am of the same idea with Hon. Kang'ata. We wanted to use the law used in China where if you are found corrupt, the penalty is death sentence. From death sentence, others can learn. Otherwise, we continue going in circles. We seem not to learn and we will never learn.

If you go to Istanbul, Turkish Airline is like *Mpesa* here in Kenya. The way Safaricom has branded everything, Turkish Airline is branded everywhere. It is deliberate that KQ does not even do marketing. They do not even brand. If you are in Nairobi and you are looking for KQ offices, you may not even know where to find it if you do not know where Barclays Plaza is. Today, going to Mombasa costs Kshs23,000. Interestingly, it costs Kshs6,000 with Jambojet. These are questions that we must ask as a House and they must be answered.

As I end, the saddest thing is the amount of money the Jubilee Government has invested in infrastructure in terms of making JKIA a nice airport. It will be an airport for other airlines, but not for us. It is sad indeed.

Finally, the President has toured many countries trying to negotiate, even for America, to have direct flights. It will be very sad if KQ cannot go to the USA directly.

With those few remarks, I support.

The Temporary Deputy Speaker (Hon. Omulele): Very well. Just on a light note, do I hear you saying that economic saboteurs in this country ought to face death sentence? That is on a light note.

Let us have Hon. Keynan, Member for Eldas Constituency.

Hon. Keynan: Thank you, Hon. Temporary Deputy Speaker. I hope you will give me two or three additional minutes if whatever I have will not have been concluded.

I am a bit perplexed. Having been in this House for quite some time, listening to the sentiments of my colleagues, I am a bit surprised that we have discharged our functions as truly elected representatives of the people of Kenya. This issue of Kenya Airways is getting a lot of attention today simply because the name "Raila Odinga" is mentioned.

We need to interrogate the issue because we are dealing with systemic privatisation failures in this country. I want to ask myself, and you also need to ask yourself, which privatisation initiative in this country is a success story that we can proudly say that this is what

we have done? Look at the Mumias Sugar Company or the Telkom Kenya, which was once a giant regional telkom facility, it is a shell today. Look at the oil refinery today and the facilities it has. While we are trying to explore the possibilities of having oil in different parts of Kenya, the only oil refinery in East Africa was sold to a cartel. Three years down the line, we were forced to buy it back after they had used it as a deposit site for toxic waste. Look at what has happened to Uchumi. Where is it? Where is Telkom? Where is Nzoia Sugar Factory? Where is Kenya Railways? Very soon, we may be asking about KQ. Kenya Airways was one of the strongest profit-making institutions 10 years ago. Even the Safaricom we are glorifying today is going to be a shell in the next few years if we do not deal with the cartels which are fleecing it right now. Who is protecting them? It is all of us here.

Over the years, we have talked about the premier-ness of this country. We have demonstrated that Kenya is a regional hub, an economic hub, a diplomatic hub and a security hub. So what?

In 1968, the Gross Domestic Product (GDP) of South Korea was at par with that of Kenya. The GDP of Indonesia was far down. Actually, Kenya was a donor nation. Today, the GDP of South Korea, without any known natural resource, is 57 times that of Kenya. In 1974, the then newly independent Republic of Botswana sent technocrats to come and learn from the Kenya Meat Commission (KMC). Today, 40 or 50 years down the line, KMC is a shell. The holding grounds all over, including the only one in my constituency, belong to a cartel. Are these cartels not known to individuals and agencies in the Government? The reality today is that we have glorified theft of public resources. If you steal, you are glorified; you are a leader. This is the culture we need to bring to an end. I am not surprised that we are talking about KQ today. There is nothing wrong in engaging in cargo business. Cargo business is just like travel business but, we need to find out whether the process of getting that business was flawed or not. Therefore, I will not be amused.

What we need to do as Members is to know this premier nation is being destroyed systematically. I want to appreciate something that the President said recently when he launched his party at Kasarani. How comes, 50 years down the line, Kenya has been reduced to a consumer nation? What happened to our once vibrant industries? These institutions have been raided, looted and taken over by cartels, which are part and parcel of our society. It is high time we named these cartels and deal with these individuals squarely, so that we can rescue the taxpayer. The onus is on us.

When the framers of the current Constitution equated our existence and our sovereignty in Article 1 to the mandate of the elected representatives, they were not fools. They knew what they were doing. Can we exercise our mandate? Can we save KQ? Can we save other institutions? Before it is too late also, can we save Safaricom? What the taxpayer is getting from Safaricom is not what we are entitled to as much as I appreciate this.

The Temporary Deputy Speaker (Hon. Omulele): Very well. The Member for Eldas Constituency has spoken with a lot of passion.

Hon. Keynan: I chair the Public Investments Committee (PIC). Give me more time.

The Temporary Deputy Speaker (Hon. Omulele): Okay, one minute.

Hon. Keynan: Procedurally, I should have been given an opportunity immediately after Hon. A.B. Duale because this institution is under one of my mandates.

The other time when we were almost seized of this, we realised the Senate was in a rush. Being a seasoned Member of Parliament, I advised my colleagues that it will not be fair to be

seen to be engaging in some sort of jurisdictional overlapping conflict between Committees. We said: “Let us leave it for the Senate”, but this is not the only issue.

As I conclude, I am pleading with my colleagues. This country is crying for your attention. This country is waiting for your action. It is not the only challenge. This is not the only institution facing challenges. There are many others. Can we deal with all of them with the same passion and save the taxpayer from these cartels? Whatever method we use, it is high time we woke up and remembered our term is coming to an end. The Kenyan taxpayer is evaluating what we are doing. I am praying that we use KQ as an example to ward off the everlasting greed of both the current and potential looters.

With this, I hope the debate today here bears fruit. If I was around, I would have said that we discuss this issue in camera because of its sensitivity. KQ is a publicly listed facility and Kenya is also a tourism hub. Therefore, the consequence of our debate is daring. Our debate here is being watched everywhere due to globalisation and KQ is likely to experience a number of cancellations, but this is something that we must have reflected on as leaders. It is something over which we are prepared to bite the bullet and save KQ because of our deliberations.

The Temporary Deputy Speaker (Hon. Omulele): The passion is noted. Can we now have Hon. Grace Kiptui, Member of Parliament for Baringo County?

Hon. (Ms.) Kiptui: Thank you, Hon. Temporary Deputy Speaker. From the outset, I must say that this is a very sad moment especially for us Members discussing the near demise of the Pride of Africa.

Sincerely, when we travel abroad on official duties, for example, to the United States of America, by the time you are in New York heading to East Africa, you will most likely travel aboard Emirates. When you touch down in Dubai, you are most likely to come home aboard KQ. It is joyous to see the KQ uniform and to know that these are our people ready to bring us home. Just like any other jewel, anything successful in this country becomes a target of greed.

Besides the issue of KQ that we are talking about today, somebody has enumerated so many other companies that have gone under. We destroy them with our own hands. I do not know what we are going to do to change the values of our people, so that they yearn for development and better life than destroying the little that we have built. It is very sad to think where we are heading. I support my colleague who has proposed to set up a select committee. That is the best we can do to heal what is ailing the Pride of Africa. If KQ collapses, it will have an untold impact on our economy.

Hon. Temporary Deputy Speaker, we are proud that Kenya is an example in East Africa. KQ is like a symbol of Kenya. When we see advertisements showing us in our Maasai attire, we feel very proud.

I want to end by saying that we are duty bound to get KQ out of the mess. Let us punish the culprits, so that others can learn from it.

The Temporary Deputy Speaker (Hon. Omulele): Can we now have the Member for Mvita?

Hon. Nassir: Asante sana Naibu Spika wa Muda. Ni jambo la kusikitisha kuwa hii Serikali inafanya mambo yale yale ambayo yalifanywa na Serikali zilizopita. Tunachukua kizibo cha mraba nia na madhumuni ikiwa ni kuhifadhi pengo la mduara. Hii si mara ya kwanza ambapo tunaongea kuhusu jambo hili. Mwaka uliopita, wakati shirika la KQ lilipotangaza hasara ya mabilioni, Bunge hili lilikaa chini tukazungumza na kuliwaza jambo hilo. Mwishowe, watu walitoa hisia zao na kila mmoja akatoa duku duku lililokuwa kwa roho yake. Lakini suala ni lile lililofuata baada ya pale. Serikali ya Jubilee iliamua kuipatia KQ billion inne. Kwanza,

hizi fedha hazikuidhinishwa na Bunge ili shirika hili lipewe. Makosa haya haya tunayoyafanya katika shirika hili yamefanywa katika mashirika kama vile Mumias Sugar. Tukiangalia historia ya Kenya, mashirika yaliyopewa kipao mbele kuleta fedha katika nchi hii ikiwemo Nzoia Sugar, Telkom Kenya, Kenya Railways yamedidimia na ukiangalia, hata kwa akili za mtoto mchanga, hii ni mipangilio ya watu ya kuvuja pesa za umma na tunayaregea.

Tuna baadhi ya watu ambao tuko katika Kamati ya Fedha, Mipango na Biashara. Nakumbuka KQ ilileta ombi ili wahifadhiwe wasilipe ushuru wa VAT. Wengine wawe wanalipa lakini wao wasilipe. Shirika hili lilipewa jawabu na Bunge kupitia Kamati ya Fedha, Mipango na Biashara ambayo mimi ni mmoja wa wanakamati, kuwa jambo hilo haliwezi kukubalika. Walielezea Kamati kuwa kuna dalili mbaya zaidi kuwa pesa zitapotea na ninasisitiza jambo hili.

Nawaomba wenzetu kama hawana suluhisho la kutatua hili donda sugu la uvujaji wa pesa za umma, waachie watu ambao wataweza kuiendeleza na watu ambao watahakikisha kuwa pesa za umma hazivujwi au kupotea kiholela holela. Historia itatuhukumu. Historia italihukumu Bunge hili. Nawaomba wenzangu katika pande zote tusiliangalie jambo hili kwa minajili na tusiwe wenye kusifu, kupiga kelele na duru huku tukiwa na nia na madhumuni ya masuala ya vyama. Tuangalie nchi na maslahi ya wananchi kabla ya mambo mengine yote.

Asante sana, Mhe. Spika Naibu wa Muda.

The Temporary Deputy Speaker (Hon. Omulele): Let us have the Member for Kamukunji.

Hon. Abdi: Thank you, Hon. Temporary Deputy Speaker, for giving me the opportunity to contribute to this debate. I was among the hundreds of KQ customers who were stranded for hours because of the unfolding crisis in KQ. Hardly have I ever travelled with KQ without a cancellation or long delays. It is common for customers to be removed from a flight you have already booked with no apologies, explanation or customer care. This is just the shoddy way KQ works and Kenyans have resigned to that fact.

The KQ is in a terrible state of affairs. It now operates like a *matatu* airline. There are obviously very serious management problems in KQ. It has suffered major losses and has demoralised staff. Its top class professionals like pilots and engineers are leaving in droves. The management has lost its way. The KQ assets have been depleted and it is now a shadow of its past. Sadly, we continue pouring taxpayers' money into this black hole. We have allowed a grand theft of public resources. It is, therefore, time to say enough is enough. We must take action to protect the interests of Kenyans.

Unfortunately, KQ carries the name of our country. Its slogan is the "Pride of Africa". It is a terrible shortcoming. It is a blot on Kenya and Africa. It is even more scandalous that we are funding that particular shortcoming. We are subsidising this grand theft. We are subsidising the mismanagement and mess that we see in KQ. We should, therefore, not trivialise this issue. We should not make it a personal or political issue. It is a matter of importance to the whole country. KQ is an important national institution. We must take our parliamentary responsibility seriously and recommend massive changes. I support the creation of a select committee to investigate and recommend changes to the KQ structure. We must stop these entrepreneurial hyenas before they destroy the national airline.

In the meantime, before we set up the select committee, I would like to suggest that we stop KQ from selling, leasing or disposing of any property, aircraft or assets of the corporation. The more we delay to do that, the more the management disposes of the assets. One of the things that I was saddened to hear is that KQ will sell its facilities at Heathrow Airport. What airline would do that? Ethiopian Airlines, which is a well-run national airline, is extending its roots. It

recently extended its airline flights to New York. We are struggling to even get a single flight into any airport in the United States of America. I recommend that the select committee looks at the best practices in the world. Maybe it will be good to visit Ethiopian Airlines and see how an airline should be run in a disciplined and profitable way.

With those remarks, I support the proposal brought by the Leader of the Majority Party, Hon. Aden Duale. I thank him for facilitating the opportunity for us to discuss the future of our national airline.

The Temporary Deputy Speaker (Hon. Omulele): Thank you for those remarks. I feel edified listening to you. Your phrase “entrepreneurial hyenas” is nice. Let us have the Member for Homa Bay Town.

Hon. Kaluma: Thank you, Hon. Temporary Deputy Speaker. I have yearned for the opportunity to have the matter concerning KQ brought to the House. I thank the Leader of the Majority Party, Hon. Aden Duale, who is standing, for ensuring that this matter comes to this level.

I have addressed the nation so many times on the matter of the KQ at our Media Centre. In my last address, I indicated that I will be revealing to the country all the political leaders involved in the death of KQ. The Departmental Committee on Transport, Public Works and Housing will confirm to you that three months ago, I raised a Question concerning the matter that we are now dealing with.

Because of scarcity of time, I would like to clarify the issue of cargo handling. It has been said here that the former Prime Minister, Hon. Raila Odinga and his family, are involved in a cargo handling firm. So what? It is just like an air travel agency. Cargo handling licences are advertised and issued by the Kenya Airports Authority (KAA). One is then given a special licence for particular goods or a general licence. The respective airlines landing at the airport approach one as a licensed authority within the airport to handle their cargo. It is about moving cargo from the airline to the owner or consignees, so that there are no losses. It is as simple as that. That could have involved anybody. As Members of Parliament, we cannot sit here and say that because our travel agency with KQ is a particular body, then it is to be blamed for the death of KQ.

I have personally tendered bids for so many companies, including LU International, when KAA put out tenders for cargo handling at the airport. It was a diversion. Hon. Duale has done well to bring this matter to the House because as he diverts the House to non-issues, we can deal with the matter we have been dealing with. The Swahili people say that “*Mchimba kaburi huingia mwenyewe*”. By trying to politicise this matter, Hon. Duale has brought the Jubilee leadership to the corner that we want it to be.

Hon. A.B. Duale: On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Duale, what is out of order?

Hon. Kaluma: Hon. Temporary Deputy Speaker, please, keep my time.

The Temporary Deputy Speaker (Hon. Omulele): That is quite in order, Hon. Kaluma.

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, I have a lot of respect for Hon. Kaluma despite the fact that he lost to Hon. Gladys Wanga during the ODM elections. We have no problem if any of our leaders is involved in corruption deals. You have no choice. The shareholding of the KQ cargo section is held by Hon. Raila, his son and his personal assistant. That is not politics. It is contained in the audit report that I am holding. They must wait. They can run, but we have now cornered them. Their leaders have eaten KQ while ours have eaten the National Youth Service (NYS).

The Temporary Deputy Speaker (Hon. Omulele): Hon. Duale, is that a point of order or a point of information?

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, is he in order to mislead the House? There is an audit report that mentions Hon. Raila Odinga, his son and his PA as part of the cartel of greedy politicians that brought down KQ.

The Temporary Deputy Speaker (Hon. Omulele): That is a point of information. Hon. Kaluma, please, proceed.

Hon. Kaluma: Hon. Temporary Deputy Speaker, the problem with Hon. Duale is that he never listens, or maybe he does not have the intellect to understand what I am dealing with. I was just describing the cargo handling business. He does not understand and cannot connect it with the freight of the airline.

This is how KQ found itself where it is now. You remember that under the leadership of Mr. Okero and his team, KQ expanded its operations to include so many routes across the world. We also acquired so many aircraft. After that, nearly all the Boeing aircraft and other aeroplanes that KQ had acquired were grounded and parked somewhere. Because we are a leadership of cowards, a few protected Kenyans purchased their own aeroplanes and leased them to KQ to exploit those routes. Hon. Wandayi has given you a list of aeroplanes. I will table that list if it is required, be it tomorrow or during the proceedings of the select committee that we are planning to establish. So many privately owned aeroplanes came in. I will confirm to the House where my investigation has reached. We started engaging in insider dealings. Some members of the KQ Board of Directors formed their own companies. They started supplying goods, including *mandazis*, cashewnuts and items of clothing to the airline at unimaginable prices. I beg Hon. Aden Duale to listen to me. This is where the problem is. My investigations confirm---

The Temporary Deputy Speaker (Hon. Omulele): You are not addressing the Leader of the Majority Party. You are addressing the House.

Proceed.

Hon. Kaluma: Special purpose vehicle companies were formed to acquire planes and to have them leased to KQ. There are two companies called Kifaru Limited and Ndovu Limited, which are the two companies Hon. Wandayi mentioned that own all those aircraft. Let me confirm this and be clear. The ownership of these companies is the family of the current President of Kenya, Uhuru Kenyatta. That is why I am saying that we need a select committee so that we can confirm to this nation by documentation and everything that really, the problem facing KQ is President Uhuru Kenyatta, and the cartel in the Jubilee Government that are looting everything that should not be looted.

Hon. Sakaja: On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Hold on, Hon. Kaluma. There is a point of order by Hon. Sakaja.

Hon. Sakaja: Hon. Temporary Deputy Speaker, this is a House of rules. The Member for Homa Bay has mentioned a name without tabling any substantive evidence. He must withdraw, apologise or before the end of the day today, present evidence and substantiate. According to our Standing Orders, that substantiation must be done today or he withdraws the remarks he has made. Ultimately, he cannot hide behind privilege just because his party leader has been mentioned by Hon. Duale to now try and mention others.

So, according to the rules of this House, Hon. Kaluma must withdraw and apologise until a time when he is able to sufficiently substantiate before this honourable House. It is the Standing Orders. They are not my orders. It is very clear.

Hon. Kaluma: Hon. Temporary Deputy Speaker, I did mention that I have investigated this matter for three years. What you will be called upon to do is to determine whether the documentation and evidence I am talking about goes to the Committee that Members are proposing or I bring them tomorrow. I have confirmed.

(Loud consultations)

The Temporary Deputy Speaker (Hon. Omulele): Order! Let us have order. A point of order has been raised by Hon. Sakaja. We all know the rules of this House. If you are going to mention names, then it is important for us to substantiate. Hon. Kaluma, you should have a bite on this, so that we can hear.

Hon. Kaluma: Hon. Temporary Deputy Speaker, if I remember the provisions of the relevant Standing Order, if you cannot substantiate on the day, you go to the following day. That is the provision. I can get it.

(Hon. A. B. Duale interjected)

Hon. Kaluma: Hon. Duale, you are not the Speaker. I am a lawyer. Quote it.

Hon. Temporary Deputy Speaker, because my friends are questioning the veracity of my statement, may I request to do the substantiation tomorrow? This came by way of a Motion of Adjournment. So, we never knew the matter would be debated today.

Hon. Temporary Deputy Speaker, could you give me up to tomorrow to bring documents before this House to confirm that President Uhuru Kenyatta is the one killing KQ?

The Temporary Deputy Speaker (Hon. Omulele): You will have to substantiate this tomorrow. As far as it goes now, we shall not continue mentioning that name until you substantiate tomorrow.

Hon. Kajwang': On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Kajwang', do you have a point of order?

Hon. Kajwang': Yes.

Hon. Kaluma: Hon. Temporary Deputy Speaker, they are all eating into my time. It is my time.

The Temporary Deputy Speaker (Hon. Omulele): It is our rules, Hon. Kaluma.

Hon. Kajwang': Hon. Temporary Deputy Speaker, I hope the Member for Homa Bay Town will have his time. This is a House of rules. We proceed here on the level of equity that we are fair to each other and we are all the same. Names have been branded here left, right and centre. No document has been given here. Files have been flown and one is being flown over there. What does that document mean until it is put on the Dispatch Box and tabled? The name of the former Prime Minister has been mentioned here. Is the former Prime Minister any more important than this fellow called Uhuru Kenyatta? When a name has been mentioned, is it in order that somebody is more important than the other?

The Temporary Deputy Speaker (Hon. Omulele): Members, let us have order! Hon. Sakaja, kindly sit down. This is a House of order. He is on a point of order and he will have his say.

Hon. Kajwang': I am on a point of order. No name has been put here.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Sakaja, this is an honourable House. Hon. Members, you will listen to my directions. We shall have direction. He is on a point of order. I have already given direction to Hon. Kaluma that he shall substantiate tomorrow in accordance with the Standing Orders.

(Loud consultations)

(Hon. Sakaja interjected)

Hon. Sakaja, I will not have an exchange with you. You will have to listen to my directions. I have already directed that Hon. Kaluma shall give his substantiation tomorrow in accordance with our Standing Order No.91. It allows us, if a Member has sufficient reason---

(Loud consultations)

Members, let us have order. We shall follow Standing Order No.91(2) which states thus:-

“If a Member has sufficient reason to convince the Speaker that the Member is unable to substantiate the allegations instantly, the Speaker shall require that such Member substantiates the allegations not later than the next sitting day,---”

These are our Standing Orders and I have already given those directions.

I will now deal with the issue of Hon. T.J. Kajwang'. It is true, Hon. T.J. Kajwang', that names have been bandied around and mentioned, but nobody has sought substantiation. If it is so done, then the directions will be given accordingly. So let us proceed, please. Hon. Kaluma, can you finish your submissions?

Hon. Kaluma: Hon. Temporary Deputy Speaker, how many minutes do I have now that I have been interrupted?

The Temporary Deputy Speaker (Hon. Omulele): You will have two more minutes.

Hon. Kaluma: Thank you, Hon. Temporary Deputy Speaker. Some very bad decisions have been made at KQ. We all know that the safest flights, more so for long routes, are the Boeings and yet we have sold our Boeing 767 and Boeing 776.

Hon. Member: Boeing!

Hon. Kaluma: Whether it is Boeing or boeing, they have booed and bored wherever they have been taken to, including the Boeing 787.

(Laughter)

We are doing this and we are hoping to get an Airbus. I want this House to consider the safety of these particular planes that we want to replace our Boeings with and why we are having people lease planes, details of which I will be giving to this House tomorrow.

The other thing is the insider trading. All the members of the Board of Directors of KQ have their companies and it is those companies that supply everything to the airline. There is pretence all over. For example, the clothes worn by KQ staff come through proxy companies in Hong Kong and other places. If J.M. Kariuki resurrected in Kenya today, he would be a very sad person. We spoke about Jonathan Ciano formerly of Uchumi. He is still walking free with our money and yet Uchumi Supermarket is dead. The next frontier, when we leave this issue of KQ,

will be the issue of the 999 years leases which are being taken all over. One day, we will wake up to realise that they are owned by private companies which all control the State. We will then have nothing to deal with.

Hon. Temporary Deputy Speaker, I am very happy you are giving me time until tomorrow. I hope it will be at 2.30 p.m. because we must save KQ.

The Temporary Deputy Speaker (Hon. Omulele): Let us have the Hon. Njoroge Baiya, Member for Githunguri .

Hon. Baiya: Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to this very important Motion. I want to also thank the Leader of the Majority Party.

It is quite evident that KQ is one of the most strategic businesses in the Kenyan economy. To allow this facility to collapse would be doing great disservice to this country. Before KQ started making profit, it had a history of making losses until it was revived. It has become habitual that every time a public company starts performing well, “vultures” gather around it to unjustly enrich themselves at the expense of the Kenyan people.

I am not very sure that I support the idea of forming a select committee by basically looking at some of the work that has been done by the various auditors. It is already quite clear how we have taken KQ where it is. I am not surprised by the audit report of *Deloitte & Touch* that mentions the former Prime Minister. When KQ started making profits, Hon. Raila Odinga was the Prime Minister. Everybody knows that he was also in charge of transport. He found his way into trading in one of the cargo handling companies which, according to the audit report, was a strategic business for KQ because it was making profits.

I cannot entertain the argument because it is very dishonest for anybody to argue that this did not contribute to where KQ is today. We should be open-minded. Anybody who has played a role in pushing KQ to where it is today, whether they are currently holding public office or they previously held public office, should be brought to book. The matter should be discussed openly, so that their roles can be understood. When we talk about ensuring that we reinvent KQ, we are talking about ensuring that we do not repeat the mistakes. However, it is inescapable that if you are the key Minister, you position yourself to participate in a business that is generating profit to a public enterprise. First of all, it must be assumed that there is conflict of interest. Secondly, you have taken up a business that is making profit for that company.

In the long run, if that company faces the fate KQ is facing, you cannot escape responsibility leave alone accountability. Whenever you may want to fight, you must know that these are historical facts that will always dent your reputation. You cannot be fighting corruption and partaking of corruption whenever you are given an opportunity to participate. That is the best message we can send even to those who are in Jubilee or those who are in charge. Wherever you work, if you participate in corrupt practices, it is the most unpatriotic thing that you can do in this country.

If you quantify all the losses our economy is suffering, you will realise that it is a huge amount of money. Kenya Airways is a key company with the ability to substantially contribute to the overall GDP of this country's economy. It is exceedingly shameful that a neighbouring country like Ethiopia is performing far much better even in terms of cost efficiency when KQ overcharges travellers and loses customers across the world. We are talking about Vision 2030 and how we are going to deliver this economy to the next level. It is a big failure for us. We should not hesitate to identify those who are responsible for this mess. This is not about politics. If it is about politics, it is positive politics.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Katoo ole Metito!

Hon. Katoo: Thank you, Hon. Temporary Deputy Speaker. Because of time constraints, I want to very quickly agree that there are some management issues at KQ. It is a national airline and we should look at the causes of the losses. It is also important that those who caused the downfall of KQ are investigated further with a view to taking appropriate action against them.

The issues to be looked into include management decisions relating to the pricing strategy to establish whether it is competitive in the market compared to other airlines, the cost of operations and procurement of consumables to see if they are over-estimated and the routing or destination profitability and viability. It is important that the KQ management thinks of focussing on lean and profitable routes rather than spreading very widely and at times making themselves very uncompetitive.

Fourthly, is the issue of overhead of operations like staffing and remuneration of KQ *vis-a-vis* other airlines and very importantly, whether the strategic alliance between KLM and KQ has value or not. In any alliance like the one between KQ and KLM, why would one partner make profit while the other is going under? In University, I did a paper on the influences of the characteristics, challenges and strategic alliances on firm performances and I thought of taking KQ and KLM partnership as a case study, but I opted for another one.

Finally, it is good that we take KQ as a national airline and national officials like public servants are required to fly the national airline to their destinations if the airline serves the route.

I support the comments raised by my colleagues.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Omulele): Hon. Members, the time being 6.30 p.m., this House stands adjourned until tomorrow Wednesday, 5th October, 2016 at 9.30 a.m.

The House rose at 6.30 p.m.