

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 8th April, 2003

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No. 176

RECOGNITION OF CHIEF OMAR SHURIA AS NATIONAL HERO

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

- (a) what plans he has of recognising the late Chief Omar Shuria for his gallant fight against secession of the North Eastern Province in 1964; and,
- (b) when he will be recognised as a national hero.

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

(a) In recognition of the late Chief Omar Shuria, who was assassinated in 1964, the Government named the only secondary school in Ijara District as Shuria Secondary School after him. In addition, the Government is considering possible ways of honouring him as a national hero.

(b) In view of "a" above, "b" does not apply.

Mr. Haji: Mr. Deputy Speaker, Sir, in the first place, the school was named Shuria Secondary School by the community in that area who built it, and not the Government. Now that the Assistant Minister says that they are going to honour him, could he undertake to assist in improving that school and also name some of the streets in Nairobi after him because even *askaris* who lost their lives in the fight for Independence were honoured by naming streets in Nairobi and Mombasa after them?

Mr. Tarus: Mr. Deputy Speaker, Sir, with regard to the first supplementary question from the hon. Member on improving the school, this is a matter over which we are having consultations with the Ministry of Education, Science and Technology, and since that matter had not come up earlier, perhaps this is what we will take up. As regards the issue of naming of streets, it just requires us to hold consultations with the necessary Ministries. I do not think I have much to say about it.

Dr. Manduku: Mr. Deputy Speaker, Sir, could we know from the Assistant Minister if they have got any policy of honouring some of these historical heroes of Kenya? I have an example of Otenyo who was a Kisii man who resisted the colonialists when they were invading and coming to colonise Kenya through Tanzania. Do they have any kind of honour they can give them? We also have somebody like Nyandika Mayoro, the man who won for Kenya the first gold medal in the Olympics. Could the Assistant Minister tell us whether they have anything to give in honour these people?

Mr. Tarus: Mr. Deputy Speaker, Sir, I do not think we have any specific policy on addressing the issue of national heroes, but it appears to be emerging as a national concern. I believe that, perhaps, in due course, the Government will address the matter.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, related to this, could the Government consider having a Heroes Corner, say in Uhuru Gardens, where we can bury people like those so that we can remember them forever?

Mr. Tarus: Mr. Deputy Speaker, Sir, I said this will be considered in due course.

Mr. Haji: Mr. Deputy Speaker, Sir, I think the Assistant Minister should not take this matter lightly. I would like to quote from a reference book called "*Kenya-Somalia Relations*" which states:-

"30 elders of the Abdalla tribe in Garissa District delivered a letter to the Civil Secretary,

equivalent to a Provincial Commissioner, pledging their help in controlling *shiftas* and restoring law and order. They offered to co-operate fully with the Government in arrangement for national and regional elections. A week later, in a dawn attack at Ijara, *shiftas* raided and killed the senior chief of the Abdalla tribesmen of the Kenya Somali, Omar Shuria, and six others."

Mr. Deputy Speaker: How far is that going?

Mr. Haji: Mr. Deputy Speaker, Sir, it is finished. So, the Assistant Minister should not take this thing as an ordinary thing which happened. It happened because it is this senior chief who fought the *shiftas*, and a week after his tribesmen declared their interest to remain in Kenya, he was killed. So, will you honour him or not?

Mr. Tarus: Mr. Deputy Speaker, Sir, I think we have taken the sentiments very positively. I do not think we are taking it casually. For the sake of the House, we are proud of our heroes, their contributions and our history. I think it befits the honour of such participants and I say the issue of heroes is a matter that is still under consideration.

Mr. Deputy Speaker: Next Question by Mr. Billow!

Question No.162

GOVERNMENT POSITION ON ASYLUM SEEKERS

Mr. Deputy Speaker: Mr. Billow is not here? We will leave the Question until the end.
Next Question by Mr. Mwenje!

Question No.091

CONFISCATION OF FAKE CURRENCY

Mr. Deputy Speaker: Mr. Mwenje is not here? We will leave the Question until the end.
Next Question by Mr. Akaranga!

Question No.174

GOVERNMENT EXPENDITURE ON SCHOOLS INSPECTION

Mr. Akaranga asked the Minister for Education, Science and Technology:-

- (a) whether he could explain how much money is set aside for inspection of schools on a yearly basis;
- (b) how he will strengthen the Department of Chief Inspector of Schools to check on misappropriation of money allocated to all schools; and,
- (c) what plans he has put in place to enhance the schemes of service for education officers and school inspectors.

The Assistant Minister for Education, Science and Technology (Mr. Gumo): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) The Ministry allocates Kshs4,764,414 each financial year for inspection of schools.
- (b) My Ministry has set aside a special allocation under the revised recurrent expenditure for the 2002/2003 financial year to facilitate inspection and auditing of schools. Equally, Provincial and District Education Officers have been given additional funds of Kshs2 million for every district to enhance supervision of schools.

(c) The Government is engaged in the harmonisation of terms and conditions of service for all civil servants, education officers and inspectors of schools included.

Mr. Akaranga: Mr. Deputy Speaker, Sir, you have heard how the Assistant Minister has responded to this Question, by saying that the Ministry allocates Kshs4.764,414 for inspectorate in the entire country. Kshs4,764,414 is very little money when you compare it with the number of schools. So, could he tell us how much does this amount translate to for each school?

Mr. Gumo: Mr. Deputy Speaker, Sir, when an inspection is done, we do not allocate money for a school. We allocate money for a whole programme because inspectors cover a zone. So, money can only be

allocated to a certain area, but not a school.

Mr. Sambu: Mr. Deputy Speaker, Sir, the District Education Board (DEB), by virtue of the Education Act, Cap.211 of the Laws of Kenya, is given specific functions of superintending, or overseeing the functions of public schools. Why does the Ministry leave out a vote head for the DEBs? Will he now, in the next Budget, include funds for the DEBs?

Mr. Gumo: Mr. Deputy Speaker, Sir, we have empowered the boards of governors (BOGs) to look into the running of the schools. Although we still have the DEBs, the bodies that are in position are the BOGs and the Parents and Teachers Associations (PTAs). These are the bodies that are supposed to---

Mr. Sambu: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead the House when the Education Act, Cap.211 of the Laws of Kenya, stipulates very clearly that the DEB shall superintend or oversee the management of primary and secondary schools, provided they are public schools?

Mr. Gumo: Mr. Deputy Speaker, Sir, I am not misleading the House. The DEBs are there, but for close supervision, we also need BOGs and PTAs, so that they can work together to make sure that [Mr. Gumo] quality education is offered in those schools.

Mr. Boit: Mr. Deputy Speaker, Sir, is the Assistant Minister aware that some headteachers have made arrangements with the Kenya Commercial Bank and every time parents pay school fees, they are charged a levy of Kshs100, which is not receipted?

Considering that some parents, for instance, in Baringo District, are very poor and we do not have food at the moment, is it fair that every time somebody pays school fees, he parts with Kshs100? Is the Assistant Minister aware of these tariffs which the KCB is asking for without issuing receipts?

Mr. Gumo: Mr. Deputy Speaker, Sir, I am not aware. But if the hon. Member knows of any head teacher who is doing that, then he should report to the Ministry and appropriate action will be taken.

Mr. J.M. Mutiso: Thank you, Mr. Deputy Speaker, Sir. I would like to know from the Assistant Minister whether the levies which are paid by the various schools to the DEB, including the DEB Harambee, are legal under the Education Act.

Mr. Gumo: Mr. Deputy Speaker, Sir, I am not aware of that. But as hon. Members might be aware, we have now stopped any levies that used to be paid before. If any head teacher insists that pupils have to pay certain levies, then he is doing it at his own risk.

Mr. Akaranga: Mr. Deputy Speaker, Sir, the way it is now is that the Chief Inspector of Schools reports to the Director of Education; the Inspector of Schools reports to the Provincial Director of Education (PDE) and so on. How does the Assistant Minister expect these inspectors to give quality reports against their bosses? Could he look into the possibilities of making the Inspectorate Department autonomous?

Mr. Gumo: Mr. Deputy Speaker, Sir, the inspectors are not supposed to report on education officers. They are supposed to report on what is happening in the schools and about teachers. Therefore, I do not think there is anything wrong in the Inspectors of Schools reporting to the PDEs.

Mr. Deputy Speaker, Sir, otherwise, we shall have too many bosses in the provinces and this will be duplication of duties. That is why we have the PDE, who is the overall boss.

Mr. Deputy Speaker: Next Question, Mr. Ethuro!

Question 203

RELIEF FOOD SUPPLIES TO TURKANA
PRIMARY SCHOOLS

Mr. Deputy Speaker: Mr. Ethuro is not in. The Question is stood over for some time. Next Question, Mr. Leshore!

Question No.171

IMPLEMENTATION OF RURAL ELECTRIFICATION PROGRAMME IN SAMBURU

Mr. Deputy Speaker: I am have been informed that Mr. Leshore is not feeling well. Therefore, I will defer this Question until tomorrow afternoon.

(Question deferred)

Next Question, Mr. J. Nyagah!

Question No.181

IMPLEMENTATION OF RURAL
ELECTRIFICATION PROGRAMME IN MBEERE

Mr. J. Nyagah asked the Minister for Energy, given that most of the hydro-electric power for Kenya is generated within Mbeere District, how much money the Ministry has set aside for rural electrification in the district in the next three years.

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

The budgetary process for rural electrification in the whole country is done on annual basis and the budgeting for the financial year 2003/2004 is due to start in April. It is, however, anticipated that the distribution of funds by district will be undertaken on the basis of a formula taking into account the size of the district, population and existing electricity network.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, given that we gave free land for the five dams, and given the fact that we look after those dams on behalf of the Assistant Minister, is it fair to not say that one of the criteria that he will use, in addition to the ones he has given, is that the source of the power will benefit and be guaranteed of getting power in the next programme?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, this is a natural resource and if we borrow that criteria, many other people will come up with the same suggestion. However, I would like to ask the hon. Member to visit the KenGen so that he can discuss with the management which other benefits they could get from the company.

Mr. Sasura: Mr. Deputy Speaker, Sir, the Assistant Minister has said that the Ministry is going to provide electricity on the basis of the following parameters: size, population and existing electricity network. Could he elaborate what he means by population? Does it mean that areas which are densely or sparsely populated will not get electricity?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, the answer is very clear. I have said that we will provide electricity according to the size of the district, population and existing electricity network. When I talk about the size of the district, I am referring to the vastness of the district. Two, when I talk about population, I am referring to the people living there. Thirdly, we will consider the existing electricity network. So, what I am saying is very clear. First of all, you look at the size of the district. For example, Kiambu District, which has a population of about 300,000 people as compared to Garissa District which has a population of 100,000, might be considered. In a case where we have a district which has more than five constituencies, and another one which has one constituency, we shall sit down and examine the parameters. If the area is too vast and it is highly populated, we shall give extra money. The schedule outlining that criteria will be issued soon.

Mr. Ndambuki: Mr. Deputy Speaker, Sir, could the Assistant Minister confirm or deny that at one time, it was agreed that 2 per cent of the money collected out of those dams was to be ploughed back to those districts which gave land for the construction of the dams?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I have not come across any such agreement.

Mr. Omingo: Mr. Deputy Speaker, Sir, the problem of Mbeere is not unique to that particular district. We are saying that Kenyans are suffering because some of them have paid up to 10 per cent of the required deposit but after paying the amount, they have not been supplied with electricity. A case in point is Tabaka Market where people have paid up to Kshs500,000, and for the last two years, they have not been supplied with electricity. Could the Assistant Minister confirm or deny that even those who have already paid for power will be supplied or refunded their money, particularly the people in Tabaka Market?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I want to assure the House that the Ministry is considering maximizing the use of the already existing power lines. One way in which we are doing this is, first of all, to encourage as many people as possible to register, especially where we have transformers and facilities in the factories, and pay only Kshs5,000 that is required for connection to their homes. However, if the Ministry ever collected monies for a particular project, that project must be done.

Mr. J. Nyagah: Mr. Deputy Speaker, Sir, does the Assistant Minister think he is being fair to Mbeere District, which looks after those dams, and yet other districts benefit from assets such as game reserves? Does he feel, in his heart, that it is fair to deprive Mbeere District of electricity, having looked after the five dams for over

40 years?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I want to assure the hon. Member that the question of rural electrification and dams falls under two companies; we have the Kenya Power and Lighting Company (KPLC) doing the rural electrification, and we have the KenGen Company which constructs dams.

What I have advised the Minister is that, due to that hospitality, we can, at least--

Mr. Deputy Speaker: Order! Order, Mr. Assistant Minister! You are the Assistant Minister and you are telling the House that you have advised the Minister. Could you address this Question as the 'Minister'? Nobody is answering this Question except you!

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I have lived in that area for a long time and most of these hon. Members should not shout at me!

Mr. Deputy Speaker: Order! You are now the Minister, answer the Question as a Minister.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, being the Minister for Energy, and knowing that they do not qualify to sit here since they do not have a Shadow Cabinet, I beg to answer the hon. Member that, first of all, the Ministry has set aside Kshs5.5 million for Kabala Market in his area, and also Kshs7.33 million for Itungururu Market for an electricity project this year. However, the hon. Member had asked for money set aside for 2003/2004. Those are the two projects we are undertaking, and I believe the hon. Member is happy now.

Question No. 152

ESTABLISHMENT OF KENYA FISHERIES AUTHORITY

Mr. Syongoh asked the Minister for Agriculture and Livestock Development whether he could explain the specific action he has taken to implement a Motion passed in the House on 10th June, 1999, on the establishment of Kenya Fisheries Development Authority.

The Assistant Minister for Agriculture and Livestock Development (Mr. Munyao): Mr. Deputy Speaker, Sir, it is true that a Motion was passed in this House for the establishment of the Kenya Fisheries Development Authority under the Fisheries Act, Cap.278, Laws of Kenya. My Ministry is yet to implement this Motion due to various constraints, such as the Fisheries Act which has no provision for the establishment of an independent authority for the Fisheries Department. There were no funds to form a task force to look into this matter.

Mr. Syongoh: Mr. Deputy Speaker, Sir, Parliament passed this Motion four years ago. The Chair will agree with me that the two reasons given for not establishing the fisheries development authority are, in all fairness, flimsy. But, in line with the answer that the Assistant Minister has given, may I ask two questions.

Mr. Deputy Speaker: Ask one question at a time, not two questions at ago!

Mr. Syongoh: Could he table before this House, a copy of a Bill proposing to amend the Fisheries Act in order to facilitate the establishment of this Act, which this Parliament refused to pass?

Mr. Munyao: Mr. Deputy Speaker, Sir, it is not possible to table that Bill before this House. First, I have explained that the Ministry has to form a task force to look into this matter, and the biggest constraint has been finance. But, it should be accepted and agreed that when the Motion was passed, the Fisheries Department was under the Ministry of Environment and Natural Resources, and it was brought to our Ministry the other day.

*(Mr. Wamalwa was applauded
as he entered the Chamber)*

Mr. Syongoh: Mr. Deputy Speaker, Sir, if finance was the constraint, then there should be evidence that there was a request for funding from the Treasury and that the Treasury indicated that they did not have sufficient funds to help set up this authority. Could the Assistant Minister lay before this House documentary evidence to that effect?

Mr. Munyao: Mr. Deputy Speaker, Sir, there is no evidence to table before this House, unless the hon. Member wants me to table myself. This is because we are saying that before we do that, a journey must begin by establishing a task force so that the whole thing could be enacted. When that is done, we will definitely come to that other stage.

Question No. 159

NUMBER OF UNEMPLOYED
GRADUATES/NON-GRADUATES

Prof. Oniang'o asked the Minister for Labour and Manpower Development:-

- (a) whether he could give the percentage of unemployed graduates and non-graduates in the country, given the Government promise to create 500,000 jobs annually; and,
(b) what specific plans the Government has put in place to achieve the job target.

Mr. Deputy Speaker: Is the Minister for Labour and Manpower Development not here?

Hon. Member: He is not here!

Mr. Deputy Speaker: Order! Mr. Billow's Question for the second time!

Question No. 162

GOVERNMENT POSITION ON ASYLUM SEEKERS

Is Mr. Billow not here?

I want to say that it is just as serious for an hon. Member not to be present to ask his Question, as it is for a Minister not to avail himself the opportunity to answer the Question.

Therefore, we will take a very serious view of hon. Members who do not show up to ask their Questions. I will, therefore, drop Mr. Billow's Question.

(Question dropped)

Mr. Mwenje's Question for the second time.

Question No. 091

CONFISCATION OF FAKE CURRENCY

Mr. Deputy Speaker: I have been informed that Mr. Mwenje is chairing a Committee business in Baringo today. I think the Committee on Administration, National Security and Local Authorities is in Baringo and, therefore, his Question will be deferred to Thursday this week.

(Question deferred)

Mr. Ethuro's Question, for the second time.

Question No. 203

RELIEF FOOD SUPPLIES TO
TURKANA PRIMARY SCHOOLS

Mr. Deputy Speaker: Is Mr. Ethuro a member of that Committee?

An hon. Member: Yes, he is.

Mr. Deputy Speaker: The Question is deferred to Thursday this week.

(Question deferred)

Prof. Oniang'o's Question for the second time.

Question No. 159

NUMBER OF EMPLOYED GRADUATES/NON-GRADUATES

Prof. Oniang'o asked the Minister for Labour and Manpower Development:-

- (a) whether he could give the percentage of unemployed graduates and non-graduates in the country, given the Government's promise to create 500,000 jobs annually; and,
 (b) what specific plans the Government has put in place to achieve the job target.

Mr. Deputy Speaker: Where is the Minister for Labour? I am happy that the Leader of Government Business is here. Therefore, I would like to ask the Leader of Government Business to take the matter up with the Minister for Labour and Manpower Development. In fact, many Questions have gone unanswered and yet we know there is an acting Minister and an Assistant Minister. A lot of business for the Ministry of Labour and Manpower Development has suffered. So, may I ask the Leader of Government Business to intervene and see to it that the Ministry of Labour and Manpower Development is represented in the House on a daily basis.

The Vice-President and Minister for National Reconstruction (Mr. Wamalwa): Mr. Deputy Speaker, Sir, I will make sure I do that.

Mr. Sasura: On a point of order, Mr. Deputy Speaker, Sir. You realise that over the last several weeks, like you rightfully said, any Questions directed to the Ministry of Labour and Manpower Development go unanswered and yet there is an acting Minister in this Ministry. Now that the Minister has refused to accept the acting capacity, would I be in order to kindly ask the Leader of Government Business to tell the President to appoint Mr. Mwenje the Minister for Labour and Manpower Development?

Mr. Deputy Speaker: Why particularly Mr. Mwenje and yet he is not even here?

(Laughter)

I think the point I made has been taken up by the Leader of Government Business, and I think the matter should rest there. The Question stands deferred.

(Question deferred)

QUESTIONS BY PRIVATE NOTICE

OWNERSHIP OF KCC

Mr. Sambu: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Co-operative Development the following Question by Private Notice.

- (a) Could the Minister inform the House who owns the Kenya Co-operative Creameries (KCC)?
 (b) Could he table the list of all the shareholders and how much the KCC 2000 Ltd. shareholders paid in order to acquire the whole of KCC?
 (c) What steps is he taking to urgently re-open all KCC factories and to ensure that the original shareholders are not deprived their rightful ownership of KCC?

The Minister for Co-operative Development (Mr. Ndwiga): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The KCC Ltd. is owned by KCC 2000 Holdings Ltd. I am happy to table the list of shareholders of KCC 2000 Holdings Ltd.

(b) The shareholders of KCC Holdings Ltd. paid Kshs400 million to the Receiver Manager of the Kenya Commercial Bank as purchase price.

(c) The KCC 2000 Holdings Ltd. factories are owned by KCC 2000 Holdings Ltd. which is a private company.

(Mr. Ndwiga laid the document on the Table)

Mr. Sambu: Mr. Deputy Speaker, Sir, KCC has been a lifeline for all the dairy farmers in this country, and I think it is not even corruption or theft, but it is immoral for those who purported to purchase KCC which is worth Kshs5 billion with only Kshs400 million. Is he aware that farmers are willing to refund the Kshs400 million to those who have purported to buy KCC?

Mr. Ndwiga: Mr. Deputy Speaker, Sir, you will recall that last week there was another Question by Mr. Wambora on the same subject, and I had promised that I would come to the House with a comprehensive statement on what is happening at KCC and what the Government intends to do.

I have the statement and I am seeking your indulgence whether to give it now or after Question Time.

Hon. Members: Now!

Mr. Deputy Speaker: Order! The Question was directed to the Chair and the ruling from the Chair is that he could give the Ministerial Statement after Question Time.

Now, Mr. Sambu, could you repeat your question to the Minister?

Mr. Ndwiga: Mr. Speaker, Sir, Mr. Sambu has agreed that the answer he wants is in that Ministerial Statement and he is willing to wait for it.

Mr. Koros: Mr. Deputy Speaker, Sir, I would like to know from the Minister why farmers who delivered milk to KCC in the last five months have not been paid.

Mr. Ndwiga: Mr. Deputy Speaker, Sir, farmers who have delivered their milk for the last five years delivered it to the so-called KCC 2000. So, the Ministry cannot be held responsible for what has been happening at the KCC 2000. I think those questions will be best answered after I make the Ministerial Statement and then hon. Members can seek clarification after the statement.

Mr. Sambu: On a point of order, Mr. Deputy Speaker, Sir. As you can see, we are limited in getting the right information because the Minister has not yet given the Ministerial Statement. Would I be in order to request your indulgence to defer this Question until when he has read out the Ministerial Statement, so that we can raise relevant questions?

Mr. Deputy Speaker: Very well! It is agreed! Next Question!

(Question deferred)

NON-PAYMENT OF SALARIES TO SISAL ESTATES WORKERS

Mr. Wamwere: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Labour and Manpower Development the following Question by Private Notice.

(a) Is the Minister aware that workers of the Majani Mingi Group of companies (Makongeni Sisal Estates) have not been paid their salaries for the last six years, amounting to more than Kshs110 million?

(b) Is he also aware that land belonging to the above company is being auctioned by the Kenya Commercial Bank after failing to repay their loan to the bank?

(c) What action is he taking to ensure that the employees do not lose their unpaid salaries and allowances?

Mr. Deputy Speaker: The Minister for Labour and Manpower Development is not in? Again, the Leader of Government Business, we have another matter for the Ministry of Labour and Manpower Development. This Question will again be deferred, and this is going to be the last time the Chair is doing this. Answers to this Question from the Minister for Labour and Manpower Development must be provided on Thursday afternoon.

(Question deferred)

CLOSURE OF MUMIAS SUGAR COMPANY

(Mr. Oparanya) to ask the Minister for Agriculture and Livestock Development:-

(a) Is the Minister aware that Mumias Sugar Company has been closed for the last three weeks because of a strike by the tractor drivers and the reduction of sugar price from Kshs2,015 to Kshs1,750?

(b) What action is he taking to ensure the factory is opened?

(c) Who will compensate the farmers for the sugar-cane which had already been harvested and is uncollected?

Mr. Deputy Speaker: Mr. Oparanya is out of the country, and the Chair concedes that the Question be deferred till next week.

(Question deferred)

MINISTERIAL STATEMENTS

STATUS OF KCC

The Minister for Co-operative Development (Mr. Ndwiga): Mr. Deputy Speaker, Sir, this Ministerial Statement arises from a Question by Mr. Sambu and Mr. Wambora. Since there is a lot of interest in this matter, I thought it would be best to issue a statement in order to give the Government's position.

The Kenya Co-operative Creameries Ltd. is registered both under the Co-operative Societies Act and the Companies Act. At different times, the organization has been exempted from all provisions of the Co-operative Societies Act and later on, those exemptions were revoked. The last revocation was under Gazette Notice No.3288 of 17th June, 1999, paving the way for the inquiry of that year. The specific terms of the inquiry were: To establish the correct financial status of Kenya Co-operative Creameries Ltd. and make appropriate recommendations to address the problems, in order to revitalise the organization; establish the indebtedness of the Kenya Co-operative Creameries Ltd. to farmers, transporters, suppliers and members of its staff; establish the indebtedness of the board of directors and the staff of Kenya Co-operative Creameries Ltd. to the organization since February 1996; examine the procurement procedures for goods and services by Kenya Co-operative Creameries Ltd. and determine whether they had been followed; do an inventory of all the KCC assets and make necessary comments and recommendations.

The inquiry report was presented to the shareholders on 4th August, 1999 at Nakuru ASK showground in the distinguished presence of the former President.

During the meeting, a steering committee was elected to work towards the revival of the organisation. The following were elected members of the committee: Lt. General (Rtd.) A.K. Cheruiyot, Messrs. Geoffrey Nightingale, Philip Baragei, James Leitich, Kamaptane arap Bargut, Daniel Kandie, Daniel Wakaba Gachoka, Geoffrey Njuguna Njenga, Joseph Kimotho Gichohi, Joseph Ndungu Mbarie and Dr. Gideon Kirwa Misoi. When the inquiry exercise was in progress, it appeared that some stakeholders were promoting the idea of transforming KCC Limited into KCC 2000 Limited in order to protect the interests of the shareholders and dairy farmers in general.

The KCC Limited was indebted to the Kenya Commercial Bank Limited to the tune of over Kshs1 billion, in addition to a further Kshs2.7 billion to other creditors, while its assets were estimated at Kshs5 billion. Before the inquiry report recommendations could be implemented, the KCC Limited was placed under receivership by the KCB Limited on 5th August, 1999. Mr. Graham Silcock and Dr. G.K. Misoi were appointed joint receiver managers. During the shareholders' meeting on 30th September, 1999, at the Nakuru Showground, the KCC Limited Steering Committee was mandated to pursue the idea of incorporating the KCC 2000 limited. The KCC 2000 limited of PO Box 79510 Nairobi is registered as a company.

It would appear as if the promoters of KCC 2000 Limited were not keen to be under the co-operative legislation. On 24th March, 2001, during the shareholders meeting at Nakuru Showground, in the presence of the former President, the Steering Committee was advised that they were negotiating to purchase KCC Limited at a cost of Kshs400 million. A down payment of 10 per cent, which is Kshs40 million, was to be paid immediately. This amount was to be negotiated from the Standard Chartered Bank. The balance was to be raised in form of share subscriptions from dairy farmers, co-operative societies and dairy companies in proportion of their milk deliveries to KCC Limited over a predetermined period of time.

The sale of shares was to be done through the KCC Holding Limited. This arrangement appears not to have worked as anticipated. In October, 2000, the receiver manager decided to auction the business and assets of KCC Limited as a going concern and bids were invited. Soon afterwards, the receiver manager accepted the bid of KCC 2000 Limited for the purchase of business and assets of KCC Limited as a going concern for a consideration of Kshs400 million. The full payment was to be effected by 12th July, 2001, under the terms of sale and purchase agreement, but this was extended to 31st August, 2001. The bid for the business and assets of KCC Limited by KCC 2000 Limited was successful for Kshs400 million, free of debts and other incumbrances as contained in the sale agreement dated 12th April, 2001.

It is observed that the purchase of shares was restricted to qualifying members although a strategic investor was to be invited to subscribe for equity in KCC Limited which was expected to spearhead growth and development of KCC 2000 Limited. The records indicate that there are three separate certificates of incorporation as well as three separate memoranda and articles of association in respect of these three companies; KCC Holdings, KCC Limited and KCC 2000. There is a sale and purchase agreement executed between the KCC 2000 Limited and the receiver managers of KCC Limited, material contracts and other consents.

Legal Notice No. 84 of 29th May, 2001, under Stamp Duty Act, Cap.480, was published as a special issue by the Minister for Finance. He directed that instruments executed in respect of KCC Holdings Limited be exempted from the provisions of the Act. There is also the memorandum for guidance of prospective purchasers for the business analysis of KCC Limited as a going concern, prepared by the appointed receiver manager of KCC

Limited. It is claimed that there were no litigations for KCC Holdings Limited.

The KCB Limited was a State Corporation at that time in terms of Section 2 of the State Corporations Act, Cap.446, because the Government had controlling shareholding of about 60 per cent, which was reduced to 38 per cent through the privatisation process.

The KCB Limited ordered the sale of the KCC Limited and it appears to have ignored procurement regulations by allowing the sale of business and assets of KCC Limited to KCC 2000 Limited as a single source of base. At the time of sale, KCC Limited had a large workforce which was reduced by retrenchment to 150 by the receiver manager, who also carried out legal audit and established ownership and titles of the assets. These assets were processing and cooling plants, land and buildings, motor vehicles, plant and machinery, equipment and furniture, stocks, goodwill, supply contracts and intellectual property in the form of registered trademarks and brand names.

The KCB Limited sold the assets of KCC Limited to the KCC 2000 Limited, while KCC Holding Limited raised the money to pay for business and assets. The Kenya Dairy Board licensed the KCC 2000 Limited to operate the milk processing plants. The transactions were made on the basis of the provisions of the Companies Act, Cap.486, thereby ignoring the provisions of the Co-operative Societies Act, Cap.490, under which KCC Limited was also registered at the time of sale of KCC Limited to KCC 2000 Limited. The KCC Limited had dual registration, both under Companies Act, Cap.486, and Co-operative Societies Act, Cap.490.

The records available indicate that the exemption granted to the KCC Limited from the provisions of the Co-operative Societies Act, under Section 86 of the Act by Gazette Notice No.629 of 6th February, 1996, was revoked by Gazette Notice No.3288 of 18th June, 1999, made under Section 92 of the Co-operative Societies Act No.12 of 1997. This became effective from 17th June, 1999, and was intended to facilitate inquiry into KCC Limited by the Government. At the time of sale, the KCC Limited was still a joint dual registration both as a company and co-operative society. The official receiver and the registrar of companies should have looked into this matter as the Co-operative Societies Act regulates the co-operative societies, including dairy co-operative societies like the KCC Limited.

As of now, the KCC 2000 Limited which is a subsidiary of the KCC Holdings Limited owns assets acquired from the KCC Limited. These included networks of processing plants, cooling plants, sales depots and other properties. The product brands included fresh milk, long life milk, fermented milk, cheese, butter, condensed milk, powdered milk, cream and ghee, among other brands of demand.

The shareholding of the KCC Limited can be summarised as follows: Individual dairy farmers, 60.83 per cent; dairy co-operative societies, 35.56 per cent; Government institutions, 3.7 per cent, and other institutions, 0.36 per cent.

Mr. Deputy Speaker, Sir, the Government is determined to demystify this manifestly irregular sale to ensure that the interests of the original shares and shareholders are safeguarded.

Thank you.

Mr. Sambu: Mr. Deputy Speaker, Sir, I thank the Minister for such a lengthy analysis into what happened in the greatest swindle of the century, whereby dairy farmers from all parts of the Republic suffered as a result of the sale of the KCC. I felt pity to hear my colleagues consult loudly when the Minister was reading his statement because dairy farming and KCC do not just concern my area alone, but it also touches people of Miriti and Sotik in the Rift Valley Province, among others in the Republic. You will agree with me that the Minister gave a lengthy statement and we need to study it before we can seek further clarification. However, I am happy that the Government is doing something about the KCC 2000 with a view to restoring its ownership back to dairy farmers. The KCC was registered as a co-operative society limited. Although it was exempted, that did not mean that Cap.490, the Co-operative Societies Act, had been degazetted or nullified. The people who did investigations---

Mr. Deputy Speaker: Order! Mr. Sambu, I have given you a leeway because of the importance of this matter. The purpose of giving you the opportunity is for you to seek clarification from the Minister and not to debate the statement. Could you, please, seek any clarification you want on that statement?

Mr. Sambu: Mr. Deputy Speaker, Sir, the people who carried out the investigation under the Co-operative Society Act were appointed in 1999. These people included Dr. Misoi and others. These are the same people who formed the KCC 2000 and fraudulently allocated themselves KCC shares.

The Minister for Co-operative Development (Mr. Ndwiga): Mr. Deputy Speaker, Sir, I would like to inform the hon. Member that, apart from what I read in the statement, I went ahead and put a caveat on all the KCC properties around the country. Jointly with the Ministry of Agriculture and Livestock Development, we have formed a task force which is moving with due speed. We also intend to incorporate the relevant Departmental Committee of this House, so that we conclude the matter pertaining to KCC with due speed.

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

Mr. Deputy Speaker: Could you allow other hon. Members to speak on this very important matter?

Mr. Sambu: Mr. Deputy Speaker, Sir, I am grateful that the Minister has referred this matter to the Departmental Committee as required by Standing Order No.151. While we appreciate the fact that the Minister has imposed a temporary caveat on all KCC properties, could the Government post security personnel to KCC factories, like the Eldoret factory? This is because the most important components of these factories, like the pasteurizing and packaging machines, are being uprooted and transferred to other areas.

The Minister for Co-operative Development (Mr. Ndwiga): Mr. Deputy Speaker, Sir, although the *Daily Nation* newspaper says that I do not work, I have personally visited all the KCC factories. I wish to confirm to this House that we will post security personnel to protect all the assets of the KCC.

Mr. Deputy Speaker: Mr. Wambora had a question on the KCC.

Mr. Wambora: Mr. Deputy Speaker, Sir, I had asked a Question about the Runyenjes cooling plant. Now that the Minister has made it very clear that the massive assets of the KCC Limited which belong to farmers all over Kenya, were bought for a song; and since the case may take several years while farmers will continue to suffer, could he allow Runyenjes farmers to lease the facility so that we can have a place to store our milk before we sell it?

Mr. Kosgey: Mr. Deputy Speaker, Sir, I commend the Minister for that comprehensive Ministerial Statement. When we met at Nakuru, we were allocated shares. I would like to know from the Minister---

The Assistant Minister for Finance (Mr. Katuku): On a point of order, Mr. Deputy Speaker, Sir. Could the hon. Member be kind enough to this House and declare his interest in this matter because he is a shareholder No.195?

Mr. Deputy Speaker: Mr. Kosgey, could you declare your interest in this matter?

Mr. Kosgey: Mr. Deputy Speaker, Sir, I am a shareholder. We were allocated shares as farmers. We did pay for them. I would like to know how much money was collected by the subscribers after the Nakuru meeting. Who paid the balance of the Kshs400 million? All that money---

Mr. Deputy Speaker: Order! Mr. Kosgey, you did declare your interest; you also asked for a clarification from the Minister. Pause there and wait for the Minister to answer. I will now give only one more chance to an hon. Member to seek a clarification before I call upon the Minister to answer them.

The Minister for Energy (Mr. Ochilo-Ayacko): On a point of order, Mr. Deputy Speaker, Sir. According to the Standing Orders, it is said very well that no Member should ask a question in respect of whose answer he is aware. We take it that hon. Members are aware of the matters of companies in which they are shareholders.

Is the hon. Member in order to ask a question whose answer he knows?

Mr. Kosgey: Mr. Deputy Speaker, Sir, I am not aware of the going-ons after the Nakuru meeting. The Nakuru meeting was called for all the shareholders countrywide by the people we had appointed as managers to manage the KCC.

Mr. Kajwang: Mr. Speaker, Sir, I would like to take this opportunity to ask for a Ministerial Statement from---

Mr. Deputy Speaker: Order! Mr. Kajwang, we have not reached there. We are still on the KCC matter. Mr. O.K. Kihara, do you have something on the KCC?

Mr. O.K. Kihara: Yes.

Mr. Deputy Speaker: Okay, last question on KCC.

Mr. O.K. Kihara: Mr. Deputy Speaker, Sir, you heard what the Minister said in his statement, that the KCC was fraudulently taken over from the public and it is the policy of the NARC Government to repossess whatever was taken by fraud. Why is the Minister dilly-dallying and not repossessing the KCC and giving it back to the people, like we did with the KICC?

The Minister for Co-operative Development (Mr. Ndwiga): Mr. Deputy Speaker, Sir, in response to Mr. Wambora's question, I said that Kenya Co-operative Creameries (KCC) 2000 Limited is a private company. So, until the task force completes its work, we do not want to get involved with the mess of KCC 2000 Limited. I have promised the House that the task force will complete its investigations very soon, and the assets of the defunct Kenya Co-operative Creameries (KCC) Limited will revert to its original owners.

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

Mr. Deputy Speaker: Mr. Sambu, your request is declined.

Mr. Kosgey: On a point of order, Mr. Deputy Speaker, Sir. I sought clarification on who paid the balance of the shares. So, who paid the Kshs400 million? I am aware that the original KCC shareholders did not pay for

these shares.

The Minister for Co-operative Development (Mr. Ndwiga): Mr. Deputy Speaker, Sir, I have already said that the whole deal was fraudulent. Even the farmers were taken for a ride. The work of the task force is to establish who paid what amount of money, and how the money can be reimbursed.

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

Mr. Deputy Speaker: Order! Order! Hon. Members, I appreciate that the issue about the defunct KCC Limited is very important. However, the Minister has tackled the Question very well. So, we must proceed to other business. Dr. Murungaru, could you proceed and issue your Ministerial Statement?

MURDER OF MR. ONYIBO

The Minister of State, Office of the President (Dr. Murungaru): Mr. Deputy Speaker, Sir, on 25th March, 2003, Dr. Khalwale rose on a point of order, and sought a Ministerial Statement on the alleged murder of the late Mr. Silvester Onyibo at Shirakaya Village, Chisebo Sublocation of Idaho North Location. In this regard, I wish to state as follows.

[The Minister of State, Office of the President]

On 18th March, 2003, Ms. Benedetta Asuna, a Kenyan female married to a German national, and a proprietor of Malaika Children's Home, is alleged to have made a report against the late Mr. Silvester Keith Onyibo for having threatened to kill her. The threat is alleged to have emanated from an ongoing land dispute between the late Mr. Silvester Onyibo's family and Ms. Benedetta Asuna.

(Loud consultations)

Mr. Deputy Speaker: Order! Order! Hon. Members, I believe that we need to hear what the Minister is saying. May I, therefore, appeal to you to consult quietly, so that we can proceed?

Proceed, Mr. Minister.

The Minister of State, Office of the President (Dr. Murungaru): Mr. Deputy Speaker, Sir, following the report, two Administration Police (APs) officers, Constables Kennedy Shitemi and Kennedy Ong'ayo, went to arrest the late Mr. Onyibo. It is alleged that during the arrest, the deceased, Mr. Onyibo, hit Constable Kennedy Shitemi on the head, prompting the officer to shoot him to his death. The AP officers had gone to arrest the deceased person following a report that had been made to the police. It is, therefore, not true that Mrs. Asuna Schneider hired, planned and executed the murder of the late Silvester Onyibo, in collaboration with members of the Provincial Administration as alleged by the Member for Ikolomani. Only one brother of the late Mr. Silvester Onyibo, by the name Ambrose Muchanje, was arrested on 17th March, 2003, prior to the death incident. He was arrested for creating a disturbance in a manner likely to cause a breach of the peace. That was after he physically chased away Ms. Benedetta Asuna Schneider from the farm she was fencing and injured her worker, a Mr. Musevi. He was accordingly charged and the case is before court in Kakamega. The only other person arrested in relation to the death of Mr. Silvester Onyibo was a Mr. Geoffrey Isaho Liposhe, who has been charged with arson. He is alleged to have committed the offence during mob action in protest against the death of Mr. Silvester Onyibo.

I wish to assure this House, and the Member for Ikolomani in particular, that Constable Kennedy Shitemi, who shot dead the late Mr. Silvester Onyibo, was arrested and is currently in custody as a murder suspect. He has already appeared before court and been accordingly charged.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Dr. Khalwale, would you like to seek clarification?

Dr. Khalwale: Mr. Deputy Speaker, Sir, I would like to thank the Minister for his very good Ministerial Statement. However, I am afraid that the information that he has just given us comes from security persons on the ground, and is not accurate. The truth is that Mrs. Schneider is a German national. She got married to Mr. Schneider more than 30 years ago. She lives in Germany. Mrs. Schneider is a lady who has actually been corrupting the Provincial Administration in Western Province, and in particular in Ikolomani Constituency. As we speak today, Mrs. Schneider, who should have been arrested for the murder of Mr. Onyibo, following the Ministerial Statement that I requested from the Minister, has corrupted and influenced the Provincial Administration and the police---

Mr. Deputy Speaker: Dr. Khalwale, could you proceed and seek the clarification?

Dr. Khalwale: Mr. Deputy Speaker, Sir, I am building the question on the clarification. Mrs. Schneider has proceeded to influence personnel to arrest Mr. Geoffrey Liposhe. If this lady is really not above the law, could the Minister clarify why she cannot be arrested and charged for being an accessory after the murder?

The Minister of State, Office of the President (Dr. Murungaru): Mr. Deputy Speaker, Sir, as I have just said, the said lady reported to the police that her life was in danger, arising from a land dispute. So, two AP officers were sent to arrest the late Mr. Onyibo on the basis of that report. It was during the process of arresting the late Mr. Onyibo that he was shot dead. That, I have established, is factual. That being the case, unless there is evidence to implicate the said lady in the shooting of the late Mr. Onyibo, the police may find it difficult to arrest her. However, Dr. Khalwale has made rather serious allegations about corruption involving the said lady and the security machinery on the ground. The Government is very sensitive to corruption. Therefore, I would like to request the hon. Member to provide me with any evidence he may be having on the alleged corruption involving the said lady and the security personnel on the ground, so that appropriate action can be taken. In the meantime, the matter is being handled through the court process.

Mr. Deputy Speaker: Very well. Let us hear the next Ministerial Statement. Mr. Minister, do you have another Ministerial Statement?

EVICION OF SQUATTERS FROM MUTHANGA FARM

The Minister of State, Office of the President (Dr. Murungaru): Mr. Deputy Speaker, Sir, on 1st April, 2003, the Member for Kigumo, Mr. O.K. Mwangi, sought a Ministerial Statement on the eviction of squatters from Muthanga Farm.

[The Minister of State, Office of the President]

Muthanga Farm was bought immediately after

Independence by people from Kiambu District. The farm, which is in Makuyu Division, borders Kambiti Location and Mananja Sub-Location of Ndithini Division in Machakos District. That farm was legally sub-divided between 1987 and 1989, and its members were issued with individual title deeds.

However, the legitimate owners have not been able to effectively use their land due to problems posed by squatters. The illegal occupation of Muthanga farmers' land was raised in this House on 18th October, 2000, by the former Member for Gatundu South, Mr. Muihia, who sought to know what steps were being taken to evict the illegal occupants, who had started putting up structures on the said land.

Following all those efforts, the owners of the land got frustrated and decided to go to court. They filed Civil Suit No.1159 of 2000, and on 19th November, 2002, the High Court ruled that the squatters be evicted. On 30th December, 2002, the Officer Commanding Station (OCS) Makuyu, was served with the orders to evict the squatters, with the assistance of Officer Commanding Police Division (OCPD), Maragwa. Again, on 24th February, 2003, the OCPD was served with yet another court order. That prompted the District Security Committee to direct the Makuyu District Officer and the OCS to hold a baraza on 3rd March, 2003, in Muthanga Farm, where they formally informed the squatters of the court decision. The copies of the orders were given to the squatters.

By the date of expiry of the said orders, some of the squatters had already left on their own. The eviction order was actually not executed on the expiry date, in order to give the squatters more time. On the morning of 28th March, 2003, the eviction order was executed by the Makuyu OCS, who was accompanied by the land owners, in order for them to take possession of their land immediately. There were no hired gangsters as alleged by the hon. Member. But during the operation, a few temporary sheds made of poles and grass were burnt. It is common practice to carry out that kind of operation in the early hours of the morning, in order to enable the occupants of those structures to remove their belongings.

The eviction was a matter of enforcing the law, failure to which, would have amounted to contempt of court on the part of the OCS and OCPD, Makuyu.

Thank you, Mr. Deputy Speaker, Sir.

Mr. O.K. Mwangi: Mr. Deputy Speaker, Sir, while I thank the Minister for that statement, I wonder why, even though there was a court order requiring eviction, it had to be executed at night! The information that I have is that the residents had an injunction against the eviction, which was obtained later than the order that required the eviction. Further, the District Commissioner (DC), who is the Chairman of the District Security Committee of that district, confessed publicly that he was the one who sanctioned the eviction at night. What special interests did the DC have? Is it because he comes from Gatundu and, therefore, he had to protect the people of Gatundu?

Mr. Deputy Speaker: Order, Mr. O.K. Mwangi! Please, sit down!

The Minister of State, Office of the President (Dr. Murungaru): Mr. Deputy Speaker, Sir, I know eviction is always a painful process because it involves dislocating people from their place of residence. But the law is the law and that land was and is still owned by those who bought it, sub-divided it and issued title deeds. There was a valid court order which was in force at the time of eviction. The eviction took place in the wee hours

of the morning, so that the occupants of the structures could be found in their houses, so that they could remove their belongings before the operation took place. So, actually, it was a matter of planning and procedure, rather than a matter of principle.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Let us move on to the next Ministerial Statement by Dr. Kituyi.

INDUSTRIAL UNREST IN EPZ FACTORIES

The Minister for Trade and Industry (Dr. Kituyi): Mr. Deputy Speaker, Sir, on Wednesday last week, Mr. Munya sought a Ministerial Statement regarding the industrial unrest in the Export Processing Zones (EPZs), what the Government has done and whether the unrests had anything to do with what is called "liberalised working conditions in the EPZs". I wish to give the following Ministerial Statement.

In the period starting on 16th January up to the first week of February, there was a series of strikes which covered four Export Processing Zone companies in Ruaraka, two in Industrial Area, nine in Athi River, and go-slows in two factories in Mombasa. The total number of workers who were involved and went on strike during that period was 18,111. The main reasons that were given by different workers for going on strike were the following:-

- (i) The absence of representation in trade unions.
- (ii) The absence of workers' committees to air their grievances to the management.
- (iii) Low wages, particularly the desire not to be subject to the statutory minimum wage guidelines from the Ministry of Labour and Human Resource Development.
- (iv) Concerns about the destiny of statutory deductions like the National Social Security Fund (NSSF) and National Hospital Insurance Fund (NHIF).
- (v) They wanted the removal of target production system where workers are given a number of apparels or target number of clothes that they must make per day.
- (vi) Harassment.

Mr. Deputy Speaker, Sir, following those rapid series of strikes, my Ministry, in conjunction with the Ministry of Labour and Human Resource Development, held consultative meetings with representatives of the workers and representatives of the investors, in the course of which we set up a task force under the Ministry of Labour and Human Resource Development. We also established in-house labour representative committees in each of the factories. After a series of consultations, the main disputes were resolved.

Mr. Deputy Speaker, Sir, it is my submission that the core concerns of the workers in the EPZs derived from a decision by the past Government, in 1994, to gazette a suspension of the operation of the Factories Act, Trade Unions Act and Trade Disputes Act in the EPZs, which meant that the Government guaranteed investors in the EPZs that workers could not access the right to join trade unions, and that the health inspection necessary under the Factories Act does not operate in the EPZs.

Mr. Deputy Speaker, Sir, since then, what we have done is to allow all workers in the EPZs to join trade unions of their choice. Secondly, all representatives of the investors accepted that in every factory, there would be an in-house workers' representative committee, which would be recognised by the management. Thirdly, the Ministry of Labour and Human Resource Development has posted a labour officer in every EPZ. Fourthly, an EPZ desk has been opened at the Ministry of Labour and Human Resource Development Headquarters to deal with matters directly relevant to the workers in EPZs.

As a result of that, I held a one-day consultative meeting with the representatives of all the workers in 38 EPZ companies on 25th March, where we agreed about the limits of the traditional application of trade disputes under the conditions of EPZs. We agreed about the right to join the trade unions in the presence of the Secretary-General of the Tailors and Textile Workers Union.

Secondly, I followed that up with a meeting on 28th March in Mombasa, with the leaders of all the 38 companies which have invested in the EPZs, where they all accepted the principle of the right of the workers to join trade unions. They all accepted the need to cultivate a more corporate responsibility and social relations with the workers and to recognise the workers' representative committees.

Mr. Deputy Speaker, Sir, as a result of the strikes, we suffered certain costs such as cancelled orders for apparels from the Export Processing Zone schemes (EPZs) to two American giant importers, namely (Sears and Keimer?) totalling Kshs1,130,000,000. Three companies which had negotiated to open up businesses in Kenya relocated to Madagascar. The cancelled orders were transferred to Mauritius. Since then, we have calmed down all industrial unrest. There is no strike in any of the companies in the EPZs right now.

Secondly, about 13,000 workers have voluntarily joined the Tailoring and Textile Workers Union, and thirdly, three new investors have since opened up businesses within our EPZs and three companies have signed an

undertaking to expand their investment. So, we are back on stream. We have expanded employment, and at the end of last month, we had employed 26,400 workers. I am sure, by the end of this year, under the current circumstances, we should hit the target of 40,000 workers within the EPZs.

Mr. Muya: Mr. Deputy Speaker, Sir, I want to thank the Minister for the action he has taken to bring order in the EPZs. What has the Minister done to assist the workers who lost their jobs because of the unrest? He has acknowledged that the unrest came about because of the Government's suspension of the right of the workers to join trade unions. What has the Minister done to assist the workers who were fired, now that the situation is under control? The National Rainbow Coalition (NARC) Government has promised to create 500,000 jobs per year. Secondly---

Mr. Deputy Speaker: Order, Mr. Muya! Ask one question at a time.

The Minister for Trade and Industry (Dr. Kituyi): Mr. Deputy Speaker, Sir, it is important that we emphasise that the NARC Government came to power on the crest of popular support from workers. We cannot be predators to workers.

There has been an impression created that when workers went on strike, the Government fired them. My Ministry has no authority to fire employees of a private company. There was a strike at the EPZs in Ruaraka. We went in and called together the management and the workers' representatives. We agreed on a return-to-work formula and a deadline by which the outstanding dispute was supposed to be resolved. The workers' representatives and the leaders of Ruaraka enterprise signed an agreement. The next day, the workers' representatives said that they could not go back to work until the issues they had raised were resolved. The workers who wanted to go back to work were picketed and physically manhandled by their colleagues, who wanted to impose the strike on them.

The management called us and we asked the workers to resume work, but they refused. The workers had signed a return-to-work formula. The factory fired all its workers. That has happened in more than five companies, where more than 6,000 workers were fired. My Ministry, in consultation with the Ministry of Labour and Human Resource Development, approached the management of these companies without going through the media, and more than 80 per cent of all the workers who were fired because of the strike have since regained their jobs. The additional employment has been for less than 20 per cent of the original labour force. There is no factory where more than 20 per cent of the workers who went on strike lost their jobs permanently.

NSSF SUSPENSE ACCOUNT

The Assistant Minister for Labour and Human Resource Development (Mr. Odoyo): Mr. Deputy Speaker, Sir, I wish to apologise to you, and seek your indulgence to also apologise to the House for not issuing earlier than today a Ministerial Statement that was sought from the Ministry of Labour and Human Resource Development.

Mr. Obwocha sought a Ministerial Statement regarding a suspense account in the National Social Security Fund (NSSF), valued at Kshs8 billion. The House requested for more details on where the Kshs8 billion was kept. I intend to make a Ministerial Statement regarding the Kshs8 billion.

The amount in the suspense account on 28th February, 2003, was Kshs7.896 billion. This amount of money is invested in Government securities, company shares and real estate. We are also holding some cash. Kshs3.3 billion is invested in company shares, Kshs2 billion in Treasury Bills, Kshs1 billion in real estate, and Kshs600 million in unquoted stocks. Kshs500 million is invested in Treasury Bills and a further Kshs400 million in Government stocks. We have Kshs181 million in cash. The main shares that NSSF holds are as follows:- Bamburi Cement company - Kshs1 billion; British American Tobacco - Kshs1 billion; Kenya Breweries - Kshs500 million, and Portland Cement Company - Kshs300 million.

This is not to say that the NSSF does not have any bad investment. The NSSF has bad investments, especially in Prudential Bank. The NSSF is losing nearly Kshs1 billion in Prudential Bank, which is associated with an hon. Member of Parliament. We all know about the Euro Bank saga, where the NSSF lost Kshs256 million. We have another case of Trade Bank Ltd., where NSSF is exposed to the risk of losing money to the tune of Kshs200 million. In total, the amount of money in suspect banks, whose investment was politically motivated, is Kshs3.5 billion.

There are also many instances where blue-eyed boys of the former regime sold land to NSSF at very exorbitant prices. For example, a former blue-eyed company, namely, M/s Sololo Outlets, sold 22 acres of land to NSSF at a cost of Kshs1.2 billion. A company associated with an hon. Member of Parliament, namely, M/s Beta Enterprises Ltd., sold land to NSSF at a cost of Kshs1 billion. I have a long list of such cases, but I am just quoting a few of them. A company which is associated with a former Head of the Public Service sold 3.5 acres of land to the NSSF at a cost of Kshs174 million.

Mr. Deputy Speaker, Sir, without alarming the House, I used the word "immoral" in my last presentation. I was not referring to the libido of some hon. Members, but to the level of corruption that was practised at the NSSF, which was far beyond the Goldenberg saga. Immorality on the part of hon. Members of the previous Government was so high that one wonders whether some of them have the moral right to even sit in this House. You will find that somebody sold to the NSSF 0.25 acres of land on the outskirts of Nairobi at Kshs65 million. I will lay this Report on the Table, and it will be available to all hon. Members to scrutinise. We are speaking about the misuse of workers' money that is remitted to the NSSF.

There is a case here, which is also associated with another hon. Member of Parliament.

Hon. Members: Name them!

The Assistant Minister for Labour and Human Resource Development (Mr. Odoyo): Mr. Deputy Speaker, Sir, I can only name an hon. Member by moving a substantive Motion on him. I am not authorised to name hon. Members unless I move a substantive Motion on them.

Mr. Deputy Speaker: Mr. Odoyo, why do you not first finish making your Ministerial Statement and then hon. Members can ask for clarification?

The Assistant Minister for Labour and Human Resource Development (Mr. Odoyo): Mr. Deputy Speaker, Sir, I would like to inform this House that there are several non-performing investments, but as to the Kshs8 billion, I would like to say that this money is intact. We have sealed the loopholes which were being exploited to steal workers' money. We will go after those valuers who valued land excessively. We have people like Lloyd Masika who valued land, for example, at Kshs1 billion at that time, and yet, the market value [**The Assistant Minister for Labour and Human Resource Development**] for that land today is less than Kshs100 million. We will ask the Kenya Institute of Valuers and Surveyors to de-register some of these valuers.

(Applause)

My brothers, I have talked about some lawyers. There is an hon. Member of Parliament in this House who was paid nearly Kshs600 million by the National Social Security Fund (NSSF) for legal services. This is a well-known lawyer, who is busy defending one of the political parties in this House. I hope he has not forgotten the Kshs600 million which he was paid by the NSSF for legal services. My brother, in order to have been paid that, you ought to have worked for 150 years. I do not know how he did it in five years. May I table this conclusive report so that it can be made available to all hon. Members.

(Mr. Odoyo laid the report on the Table)

Mr. Obwocha: Mr. Deputy Speaker, Sir, today is a very sad day for Kenyans. This is because of what the Assistant Minister has said about the workers' money. The list is one which you cannot comprehend. Before I request the Assistant Minister to clarify this matter, there are some financial institutions in which workers' money has been invested and gone down the drain. I would like to point out that Kshs990 million was deposited in Prudential Bank; Post Bank - Kshs556 million; Euro Bank - Kshs256 million; Trade Bank - Kshs203 million; Thabiti Finance - Kshs167 million; Rural Urban - Kshs131 million; Continental Credit - Kshs57 million; Pioneer Building - Kshs34 million; Middle Africa - Kshs3 million and Nairobi Finance Corporation - Kshs3 million. This gives a total of Kshs3.4 billion. That money was invested wrongly in financial institutions which were not stable. I believe that the Assistant Minister has tabled this list so that hon. Members of Parliament and the Press can have access to it, to tell the people of this country how their money has been squandered. If you look at the list of the investments---

Mr. Deputy Speaker: Mr. Obwocha, you are now debating as if this is a Motion! Could you seek clarification from the Assistant Minister?

Mr. Obwocha: Mr. Deputy Speaker, Sir, I will ask the question. The Assistant Minister said that there are some plots and properties which have been sold to the NSSF at exorbitant prices. Some of these plots were sold to the NSSF by some of our colleagues here.

*(Mr. Obwocha pointed a finger
at the Government side of the House)*

Hon. Members: Do not point at us! Point at the KANU side!

Mr. Obwocha: Mr. Deputy Speaker, Sir, I was with these people on this side of the House. It is only that they are a step ahead of me.

(Laughter)

Mr. Deputy Speaker: Mr. Obwocha, would you seek a clarification from the Assistant Minister?

Mr. Obwocha: Mr. Deputy Speaker, Sir, would the Assistant Minister assure this House that these properties will be re-valued and the excess money grabbed from the NSSF returned to the workers' body?

(Applause)

The Assistant Minister for Labour and Human Resource Development (Mr. Odoyo): Mr. Deputy Speaker, Sir, in re-assessing the NSSF, we are trying to find the true value of these properties. If we have to find the true value of these properties, then we have to re-evaluate all the properties. By doing this, we will table to the relevant Departmental Committee the amount of money which is now missing. We may request for the establishment of a Parliamentary Select Committee, a Judicial Committee or any other committee, if we find that the amount of money which has been lost is in excess of Kshs20 billion. I would like to assure this House that the painful act of looking at some of the figures has made us seal the loopholes. We are reviewing the NSSF. Because many of these debtors have run to the courts, our hands are tied. For example, Sololo Outlet has gone to court. We may, at some point, appeal that another "Goldenberg Commission" be established so that we can unravel the thieves and immorality!

(Laughter)

Mr. Deputy Speaker: Mr. Odoyo, all I am asking is that---

Mr. Angwenyi: Thank you, Mr. Deputy Speaker. This is a very important matter because they took away some money from poor workers of Kenya. Could this House pass a resolution today that a Judicial Commission is appointed by the President of the Republic of Kenya to look into the matter of the NSSF? Could this House undertake to amend the Constitution in the event that our corrupt judicial officers put impediments to the fact-finding mission of that Judicial Commission?

Mr. Deputy Speaker: Mr. Angwenyi, that is certainly not the way of introducing constitutional amendment, setting up commissions or parliamentary committees. I believe that, that question was not directed to the Assistant Minister.

Mr. Angwenyi: But, Mr. Deputy Speaker, Sir, I have not finished saying what I have!

Mr. Deputy Speaker: Sorry, Mr. Angwenyi!

Proceed, Mr. Kajembe!

Mr. Kajembe: Mr. Deputy Speaker, Sir, it is not enough to say that the valuers will be de-registered. It is important that these valuers are jointly charged with the allottees of these plots. The Assistant Minister should also table the list of these valuers in this House. The workers have suffered a lot because those people looted this money.

The Assistant Minister for Labour and Human Resource Development (Mr. Odoyo): Mr. Deputy Speaker, Sir, I do recognise the seriousness of the matter. Upon further consultation with our colleagues at the Office of the President, the Attorney-General, the Minister for Justice and Constitutional Affairs *et cetera*, I would like to assure this House that we shall pursue this issue to the end. It is not viable that the workers' money in which the Government is a trustee--- We are not even shareholders in the NSSF; this is workers' money. We are there as a trustee, but the KANU Government in all---

(Laughter)

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

Mr. Deputy Speaker: Order, now! I do appreciate the importance of this matter!

Mr. Omingo: On a point of order, Mr. Deputy Speaker, Sir. I would like to seek the indulgence of the Chair on this matter. I know the Chair was a worker, and if you had not reached 55 years, your money was tied there. Will we wait for several big stones to be turned before this matter is brought to rest? Some executives are still in office, and Prof. Meme is one of them. What are we doing about this matter?

(Applause)

Mr. Deputy Speaker: Mr. Omingo, I appreciate your feelings! That is not a point of order!

Mr. Minister for Lands and Settlement, make your Ministerial Statement!

ISSUANCE OF NEW GENERATION TITLE DEEDS

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, Sir, with the indulgence of the House, I beg to make the following Ministerial Statement; of our intent to issue new generation title deeds.

Mr. Deputy Speaker, Sir, this matter came up a few weeks ago and appeared in newspaper headlines, to the effect that the Government was going to issue new title deeds across the board to replace the current ones. The headlines were misleading and did not capture the message correctly and, as a result, some property holders and even financial institutions became scared of possible losses due to the proposed changes during the transition period.

Mr. Deputy Speaker, Sir, as the hon. Members are aware, a title deed gives the holder the legal claim and right of ownership of any property as provided by the various Acts of Parliament.

(Several hon. hon. Members stood up in their places)

Mr. Deputy Speaker: Order Members! Order! It is out of order for Members to stand in the Chamber of the House when a Member is making a contribution.

The Minister for Lands and Settlement (Mr. Kimunya): Thank you, Mr. Deputy Speaker, Sir. A title deed has always enjoyed sanctity and, indeed, is constitutionally protected. Sadly, in this country, we have witnessed the erosion of this sanctity, as multiple titles were issued for the same parcel of land. Fake titles entered the market and land allocation was made for political expediency in total disregard of the laws as enacted by this very House.

The titles in use were designed in 1902, and have not been updated ever since. They, therefore, have become susceptible to forgeries and manipulations. Our manual registries, and the inherent corruption avenues created, have further complicated the problem resulting into multiple registrations that have not been detected in time.

Mr. Deputy Speaker, Sir, given the technological changes that have taken place the world over, in the last 100 years, the Government feels that time is now ripe to change and adopt new methods of land information management and storage. We, therefore, intend to move away from the manual system which is cumbersome, expensive to maintain and manipulatable.

We will use the latest information technology to ensure that we have an appropriate management system that is more secure and user-friendly. The data base will store all information on ownership and will include such details as the identity card number; the D-plan reference; the Kenya Revenue Authority Personal Identification Numbers; rents payment data; linked utilities; land use; all transactions on land and *et cetera*.

Mr. Deputy Speaker, Sir, the new generation title deeds will be printed from this new system containing the basic information where the details will be maintained in a secure database available through the normal search. The new titles will also be serialised to ensure greater accountability and will also have security features to minimise forgeries. The format and size of the new title deeds may also have to change to conform with the proposed system.

This is a proposal we are making, and if agreeable, it shall be implemented in several phases due to the enormity of the exercise and the costs involved. In Phase One, the Ministry intends to carry out the research and redesign within the provisions of the law. We will also identify any changes to the existing laws with respect to title deeds and propose this to the House.

Mr. Deputy Speaker, Sir, in Phase Two, which is the implementation stage, we intend to move in four stages. The first stage will involve the issuing of the new titles for new land registrations. The second stage will involve the conversion of titles presented for various transactions at the transaction point. The third stage will involve conversion of the titles held by financial institutions, and lastly the rest of the title deeds held by the property owners. Adequate notice will be given for the changes in order to ensure a smooth transition and avoid panic amongst the people and in the property market.

Mr. Deputy Speaker, Sir, may I also take this opportunity to remind the hon. Members that there are previous experiences in this country which we can rely on; like the new generation ID cards, the new currency notes, the new driving licences, and new passports. We are not, therefore, proposing something new which has not been tried before. We will take into account lessons learnt from all these and take on board other base practices from elsewhere locally and outside our country.

Mr. Deputy Speaker, Sir, the proposal I am making in this House is realistic and achievable with proper planning and systematic implementation. I believe Kenyans would be happier thereafter, with not only the new

look title deeds and registration system, but also with the re-assurance that their title deeds will now be respectable as they should be.

Mr. Deputy Speaker, Sir, in conclusion, I would like to assure the hon. Members, and the rest of Kenyans, that there is no need to panic as the objective is not necessarily to appropriate people's property if it is was acquired regularly and legally, but to streamline and sustain efficient record keeping in land registries as was promised in the NARC Manifesto.

Mr. Deputy Speaker: Any clarification? Mr. Serut!

(Loud consultations)

Mr. Deputy Speaker: Order! Order, hon. Members! Mr. Serut, you can have the Floor!

Mr. Serut: Mr. Deputy Speaker, Sir, could you allow me to talk for your own benefit?

Mr. Deputy Speaker: Order, hon. Members! It is the responsibility of the Chair to ensure that Mr. Serut is heard. Mr. Serut you have the Floor.

(Laughter)

Mr. Serut: Mr. Deputy Speaker, Sir, the Minister, in his Ministerial Statement, has stated very clearly that there is going to be conversion at the registration level of titles. Could he tell the House the conversion from which Act to which one, because when you talk of conversion you are converting the registration of title deeds from one Act to the other?

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, Sir, if the hon. Member was attentive, he would have realised that I said we are going to have the design phase at which point we are going to look at all the laws that need to be changed and we are going to bring them to this House.

Mr. Nyachae: Mr. Deputy Speaker, Sir, could the Minister consider either issuing a definite circular to the financial institutions, or meeting the Bankers Association, to clarify the position about the securities that are in the financial institutions because, at the moment, the banks are unable to release funds to the borrowers who are presenting the titles? Secondly, I want to say that, with the confusion that exists, the performance of the financial institutions is going to be very awkward at the end of the financial year because every bank is full of liquidity because they cannot lend money through these titles.

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, Sir, we are in consultations with the banks and we are arranging a meeting to discuss these issues.

Mr. Deputy Speaker: Next Statement by the Minister for Environment, Wildlife and Natural Resources!

MINISTRY'S POSITION ON UNCOLLECTED TIMBER

The Minister for Environment, Natural Resources and Wildlife (Dr. Kulundu): Mr. Deputy Speaker, Sir, on Tuesday, 25th March, 2003, the Member for Molo, Mr. Mukiri, sought a Ministerial Statement on uncollected logs in the forests with regard to, one, small-scale sawmillers, who he felt had been left out of the list that my Ministry published in the Press recently. Two, the inadequacy of the duration of time given for the collection of the logs from the forests.

I wish to respond as follows: I am unaware of any small-scale sawmillers who had paid for their logs and did not appear in the published list. But should there have been an oversight, I would advise that those affected produce proof of payment for any logs they might have left uncollected and arrangements will be made to facilitate their collection. I would also like to state that, from past experience, the time period my Ministry gave sawmillers to collect the logs they had paid for was sufficient. In the past, sawmillers would use the opportunity given to collect the logs they had paid for to illegally fell more trees. To curb this, my Ministry had decided to restrict them to the period of two weeks, which is sufficient time given the number of logs in the forests.

Thank you.

Mr. Mukiri: Mr. Deputy Speaker, Sir, the Minister has just said that he would wish those sawmillers who have not collected the logs they paid for to go to the Ministry and prove their case. I think the order the Minister gave is going to expire this week. Would he consider, maybe, extending the period so that those sawmillers, who are complaining that their case was not considered, could be given adequate time to present their receipts?

The Minister for Environment, Natural Resources and Wildlife (Dr. Kulundu): Mr. Deputy Speaker, Sir, that is precisely what I have said, that should there have been any sawmillers who had paid for logs and their names did not appear on the list, they will be given time to do so, so long as they produce proof of payment.

Mr. Deputy Speaker: Very well! That ends the Statements. I want to particularly thank the Ministers for the Statements they have made. You realise we had many Statements. The Ministers have done a very commendable job and I am very grateful.

(Applause)

POINTS OF ORDER

STATEMENT ON SPREAD OF ACUTE RESPIRATORY SYNDROME

Mr. M'Mukindia: Mr. Deputy Speaker, Sir, last week, on Thursday, I stood on a point of order and requested for a Ministerial Statement from the Ministry of Health with regard to the pneumonia-like virus that is afflicting China, Hong Kong and South East Asia, and now, it seems, even Canada. Mr. Raila undertook to inform the Minister for Health to bring this Statement to the House. I wonder whether that has happened.

The Minister for Roads, Public Works and Housing (Mr. Raila): Mr. Deputy Speaker, Sir, the message was conveyed and I am sure that just soon they are going to make a Statement.

Mr. Deputy Speaker: I think this is a very important matter. We are talking of the virus which is spreading all over Asia and now in Canada. I think the Statement was sought last week. Could we ask the Minister to avail herself tomorrow to issue a Statement on this matter as requested by Mr. M'Mukindia?

ATTEMPTED ESCAPE BY MR. KETAN SOMAIA

Mr. Kajwang: Mr. Deputy Speaker, Sir, I rise on point of order to seek a Ministerial Statement from the Minister of State, Office of the President in charge of internal security with regard to the circumstances in which Mr. Ketan Somaia, sometimes called a tycoon and sometimes called a billionaire, attempted to escape from the country and from justice, when we know that his passport had been supposedly impounded by the police, who were investigating him over certain questions of corruption. The situation has been made worse by the Press who have said that: "while going to the airport and through the checking system up to aboard British Airways, he was escorted or facilitated by very senior officers of a senior Government Minister".

Mr. Deputy Speaker, Sir, could the Minister explain what happened?

Hon. Members: Who?

(Applause)

The Minister of State, Office of the President (Dr. Murungaru): Mr. Deputy Speaker, Sir, first and foremost, we thank God that the man is in our hands!

(Laughter)

Two, this is a person who has considerably greater exposure to these kinds of situations than the ordinary person. But investigations are on going and I promise to make a comprehensive Statement on Thursday afternoon. But I want to assure the nation that he is not about to go anywhere. He is with us!

(Applause)

PURCHASE OF PROPERTIES BY NSSF

Mr. Muiruri: Mr. Deputy Speaker, Sir, I rise on a point of order to seek a Ministerial Statement from the Minister for Labour and Human Resource Development with regard to the circumstances and the justification that led to some individuals and companies selling properties to the NSSF between 1988 and 2003. At the same time, he should not only give reasons to justify that, but he should also give the values of those properties and the total amount spent by the NSSF in the purchase of those properties between 1988 and 2003.

Mr. Deputy Speaker: Order, Mr. Muiruri! I thought Mr. Obwocha has dealt with this matter just now. Let us not duplicate issues here. I believe that the matter was dealt with arising from a Statement sought by Mr. Obwocha from the Ministry of Labour and Human Resource Development. So, are we going to ask them to make another Statement? I think that was sufficient. So, that one may be ignored.

Mr. Munya: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Members of the Opposition to continue addressing us from the Dispatch Box yet we do not know who among them is a Member of the Shadow Cabinet? Now, it is about 100 days and we do not know the Members of the KANU Shadow Cabinet and we cannot assess their performance.

(Applause)

Mr. Deputy Speaker: Well, there are surely no rules that the Opposition must name their Shadow Cabinet. But I think, it is desirable that we know who is who on the Opposition Bench. The Chair will also be greatly assisted to know who is who. Are you responding to that, Mr. Muiruri?

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

Mr. Deputy Speaker: No! No! Do you have anything to say, Deputy Leader of the Opposition?

Dr. Godana: Mr. Deputy Speaker, Sir, the hon. Member is a new Member and, obviously, he does not understand that before the Shadow Cabinet is appointed, which is not obligatory, any Member of the Opposition, who the Opposition feels can sit on the Front Bench, can speak from the Dispatch Box.

The Minister for Roads, Public Works and Housing (Mr. Raila): Mr. Deputy Speaker, Sir, it is not quite true that it is not a requirement. Just this afternoon, in the Library, I was reading a debate that took place in this House in 1967 when Mr. Martin Shikuku challenged Mr. Jaramogi Oginga Odinga, who was then the Leader of the Kenya Peoples Union (KPU), if it was right for him to sit there without having named his Shadow Cabinet. Mr. Odinga himself said that not all of them had been sworn in and that is why he had not named his Shadow Cabinet. Mr. Humphrey Slade, who was the Speaker then, concurred with him. That is the tradition of the House. Will the Deputy Leader of the Opposition undertake to name the KANU Shadow Cabinet immediately?

(Applause)

Mr. Deputy Speaker: Order! Order! Order! Let me---

Dr. Godana: Mr. Deputy Speaker, Sir---

Mr. Deputy Speaker: Order, Dr. Godana! For the sake of record, what I meant was that there is no time limit. It is desirable that we know who is who, only that I cannot say whether it is within a week or two weeks, but it is desirable. So, the sooner you do that, the better rather than engaging us in arguments.

Dr. Godana: Mr. Deputy Speaker, Sir, that will be done as soon as possible.

Mr. Deputy Speaker: That is the end of the matter. I want to draw the attention of hon. Members to the Supplementary Order Paper. That is where we are now.

BILLS

First Readings

THE PENSIONS (AMENDMENT) BILL

Mr. Shitanda: Mr. Deputy Speaker, Sir, on behalf of hon. David Musila, I wish to move that, in accordance with Standing Order No.101(A), the Pensions (Amendment) Bill be referred to the relevant Departmental Committee.

Mr. Deputy Speaker: It is so ordered!

(The Bill was read the First Time and referred to the relevant Departmental Committee)

THE SUPPLEMENTARY APPROPRIATION BILL

*(Order for the First Reading read
-Read the First Time - Ordered to be read
the Second Time today by leave of the House)*

Second Reading

THE SUPPLEMENTARY APPROPRIATION BILL

(By leave of the House)

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I beg to move that the Supplementary Appropriation Bill be read a Second Time.

Mr. Deputy Speaker, Sir, hon. Members will recall that we discussed the Supplementary Estimates at length. I do not, therefore, intend to take a lot of time in moving this Bill.

I want to start off by saying that, we are moving the Supplementary Appropriation Bill, at a time when we have declining tax revenues, coupled with very little assistance from outside and increased expenditure, resulting from the new policies of the NARC Government.

I would like to re-state the fact that we are expecting a reduction in revenue to the tune of Kshs9 billion. We are also expecting an increase in revenue expenditure, resulting from the re-organisation of the Government and implementation of free primary education; the purchase of vehicles to give to the police, so that they can intensify security in the country and also the purchase of houses for the Department of Defence.

Mr. Deputy Speaker, Sir, we are also doing this at a time when we have been promised substantial assistance from development partners, on condition that we fulfil the NARC Government pledges to the Kenyans that we will bring about good governance, both economically and politically and that we will show zero-tolerance to corruption, on the understanding that we will prove this by act and deed. I would like to quote a few figures, just as an illustration of what is in store for us, if we passed the two Bills which are ahead of us. The World Bank has promised us a grant of US\$50 million to assist with free primary education. They have agreed to release the second tranche of the budget support finances, which they withheld about two years ago, of US\$50 million. The European Union has promised to give us a budgetary support of 50 million Euro. All this money will come during the current financial year, if we make good relations with the IMF and the World Bank.

Mr. Deputy Speaker, Sir, many other donors, such as the United Kingdom, have already given Kshs1.5 billion; Denmark, Finland, Norway, Germany and many more have undertaken to give us support. Given the fact that Kenyan is today experiencing the kind of poverty that has not been known before, and the fact that we really need to offer Kenyans the best social services; improve the infrastructure and security; eradicate corruption *et cetera*, it is my plea to my colleagues in this House that they support the two Bills; the Anti-Corruption and Economic Crimes Bill and the Public Officer Ethics Bill, which has already gone through the Second Reading.

Mr. Deputy Speaker, Sir, if we do this, we stand to benefit financially and it is only this way that we can really achieve the projected economic growth, as well as afford to offer the social services which we have promised our people.

Mr. Deputy Speaker, Sir, let me take this opportunity to thank my colleagues, Ministers on this side of the House who have gone out of their way to do their best to make sure that the Kenyan taxpayer gets value for money. They are doing this by stopping wasteful expenditure through the procurement system which has, hitherto, existed and through changes in the tendering procedures for building and construction of roads.

For this reason, I would like to urge all hon. Members to assist the Government in fighting corruption and in seeing to it that every cent we spend is really giving the Kenyan taxpayer value for his money. We can no longer afford to buy a bottle of water twice the price you could pick it up from the supermarket. This happens when some of our own purchasing officers happen to be owners of companies which they use to tender for Government contracts.

Mr. Deputy Speaker, Sir, I would like to turn very briefly to the Estimates of Supplementary Expenditure and say that the increases which we are looking for go mainly to the Ministry of Education, Science and Technology which is getting Kshs6.7 billion, out of which Kshs2.8 billion goes to free primary education and Kshs3.9 billion goes to implement the scheme of service for teachers and other related costs for the Teachers Service Commission.

Mr. Deputy Speaker, Sir, we have also provided for Kshs741 million to pay allowances to the medical personnel who have been working in parastatal organizations, namely, the universities, Kenyatta National Hospital and Eldoret Referral Hospital, who were left out when allowances were paid to their colleagues in the other services.

At the same time, we are catering for about Kshs400 million to take into account the needs of the new Ministries which we have recently established. We have also provided Kshs500 million to meet the cost of contracts for the National Security Intelligence Service and last, but not least, we have included a sum of Kshs661 million to cater for allowances for hon. Members of this House for purchase of vehicles.

Mr. Deputy Speaker, Sir, really, my parting word is that we have already discussed these Supplementary Estimates at length. However, I need an Act of Parliament to give me access to that money; to use it for some of the reasons I have given. So, I have come to you again to move this Bill.

With those few remarks, I beg to move.

The Minister for Education, Science and Technology (Prof. Saitoti): Mr. Deputy Speaker, Sir, I stand to second this Bill. Let me, at the very outset, first of all, commend the Minister for Finance, because in the three months he took over charge of the Treasury, he has been able to put into effect fairly strong fiscal and monetary policies which have resulted in cutting down the wastage as far as Government expenditure is concerned. This is fairly evident from the fact that, indeed, the domestic debt which has been rising up to the time that he took over has actually fallen down substantially, and I believe that the fall in the magnitude of the domestic debt is fairly close to about Kshs30 billion. That in itself indicates that the fiscal policy has been extremely tight, and has ensured that, indeed, expenditure is brought in and is being used specifically for what it is meant for.

Mr. Deputy Speaker, Sir, the most important issue is the fact that the interest rate or what we call the yield of the Treasury Bill has also fallen substantially and is now about 8 per cent. When one takes into account the fact that the banking interest rates are very much influenced by the interest rate of the Treasury Bill, one would, therefore, expect that the interest rate out in the banking system for borrowers should also be coming down. If that happens again, that also means good news over the fact that much more resources can actually be borrowed by the private sector. If more resources are borrowed by the private sector, it then points to the direction of the NARC pledge - which is important - namely, the creation of job opportunities. Under extremely very difficult conditions, the Minister has been able to bring down the level of the domestic debt and the interest rate on the Treasury Bill which, of course, impacts positively on the interest rate in the banking sector and, therefore, enabling the private sector to be able to lend more to the private sector, hence leading to a situation where more jobs are going to be created.

Clearly, the Bill is very much a refinement of the Supplementary Estimates Budget which we deliberated on at great lengths, and I have no doubt that the figures which are being shown here should not, therefore, be very strange at all, because they are the ones which were contained in the main expenditure Budget. Other than for the fact that this, therefore, is an important summary in the form of an Appropriation Bill, when one takes into account the Constitution of Kenya, Section 99 stipulates that no money may be drawn from the Consolidated Fund without an Act of Parliament to appropriate it. This is why the Minister has brought this Bill because, although we passed the Supplementary Estimates, he has got no power to draw the money from the Consolidated Fund and disburse it to the Ministries for expenditure without the passage of this Appropriation Bill and this is why he has come here.

Mr. Deputy Speaker, Sir, be that as it may, there are important areas which are receiving attention as far as the appropriation is concerned, and we have already passed that in the Supplementary Estimates. I am sure that hon. Members of Parliament will note from this Bill that a sum of Kshs661 million is being made available, so that hon. Members can be able to purchase vehicles. I think we ought to be happy about the fact that the Minister has assented to our major request to ensure that the funds are factored into this Bill so that we can actually be able to get the money and buy the vehicles. The salaries would be coming up in due course, but the most important and urgent thing for hon. Members of Parliament is to be able to have the resources to buy vehicles in order to be able to move about.

I know that members of the public and the media are going to make an issue of this, but I have no doubt that hon. Members of Parliament need means of mobility to be able to reach their constituents. Otherwise, how do we represent our constituents? For that, I would like to thank the Minister so much. I must also say that important things have been factored here. As the Minister said, there are certain allowances for the Ministry of Health. I think it will be known----

Mr. J. Nyagah: On a point of order, Mr. Deputy Speaker, Sir. Is the Minister aware that he is talking about salary advance and not---

Mr. Deputy Speaker: Order, Mr. Nyagah! I do not know what you are talking about.

Mr. J. Nyagah: It is not a loan but a salary advance of Kshs3.3 million. He needs to be very clear about this.

The Minister for Education, Science and Technology (Prof. Saitoti): Mr. Deputy Speaker, Sir, as far as I know, it is clear and hon. Members are aware of it. We expect each Member to get a certain package of slightly over Kshs3 million to purchase a vehicle. On the other hand, if you do not want that one, you may very well amend this one and the Minister may be able to divert the resources to some other needy use, like primary education.

I am very happy and I want to thank the Minister for Finance for being generous by providing the resources for the Ministry of Education, Science and Technology. I also want to thank him for making provisions of substantial resources to provide the police with vehicles. We are all aware of the problem of insecurity in our country and we hope that the police will use these vehicles to clamp down on insecurity. I have no doubt they will do so. Of course, we do not have a provision for the increment of their salaries here, but I do hope in due course we will increase the salaries of the police because they need it. We need to retrain them to be able to provide the right security.

Mr. Deputy Speaker, resources have been provided for the Ministry of Health. This is very important because we have been having lots of problems especially with the medical personnel in our universities, at Kenyatta National Hospital and at Eldoret. There is no doubt that, with these allowances, they will do their work fairly well. There are also provisions for salaries of the Department of Defence (DOD). They will require to be given houses. On the whole, I want to urge hon. Members to pass this very important Appropriation Bill so that the Minister for Finance may be able to release the resources to the various Ministries so that the services of the Government can proceed. This will ensure that more of our children will continue going to school.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to second the Bill.

(Question Proposed)

Mr. Speaker: Mr. Kariuki!

Mr. G.G. Kariuki: Thank you, Mr. Deputy Speaker, Sir, for this opportunity to contribute to the Bill before the House.

The Minister for Finance said that, in order for the Government to get money from donor nations, we are required to fulfil certain conditions. Examples of these conditions are zero tolerance to corruption and also good governance. This afternoon, we were made to understand, by the Assistant Minister for Labour and Human Resource Development, that if the Government recovers the money that is said to have been pocketed by some hon. Members in this House and also their companies, this country will not require any loan from anywhere. I was not able to calculate the figures which he was reading very fast, but I concluded from his speech that a lot of money can still be recovered from our own people who have pocketed it during the years that KANU was in power.

Mr. Deputy Speaker, Sir, even if we pass the Anti-Corruption and Economic Crimes Bill, the European Union, the World Bank, the United Kingdom and the Scandinavian countries will still require us to show them the reason why we cannot collect this money from the people who owe this nation through stealing and other means. The people who have been contributing that money to the National Social Security Fund are the most ordinary people in this country. Now their money cannot be recovered to be paid back to them by this Government. What do we expect these people to think about us? We are now passing Bills for the allowances of hon. Members and other groups of people, forgetting that this money needs to be recovered immediately from those who took it from the public.

Mr. Deputy Speaker, Sir, I think that we should also be ashamed in this House when we think that the best way of solving our problems is by first of all giving ourselves money without really considering the teachers. When the Minister for Education, Science and Technology was speaking, I expected him to give us a timetable indicating how the teachers' salaries will be paid. For example, if the Government intends to give teachers an increment in July, we should be told how much they will be paid and that figure should be made public because they expect to be paid as soon as possible.

We should also consider increasing salaries for the police force. The Minister only talked about vehicles. I think the most important thing is to find ways of improving the morale of the police force so that they can be effective. When you give them vehicles and a good salary, they will be more effective. We should not just consider giving them vehicles only. If you go to any police station now, they will tell you they do not have vehicles. Those who have vehicles will say they do not have fuel. I think we must get out of this mess that we got into during the rule of the KANU Government. We have to consider improving remunerations of all cadres of people, and they should be paid well. The only way we can get away with the money we are voting for ourselves is when we are seen to be considering the welfare of other people. We should also make them happy as much as we can. This is a very straightforward Bill which is meant to authorise the Minister for Finance to get access to this money so that we can pay the people and the institutions that he has talked about.

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

Dr. Godana: Thank you, Mr. Deputy Speaker, Sir. This is a simple and straightforward Bill which has been necessitated by the fact that we have already approved the Supplementary Budget and the Bill has been introduced to effect what we approved. Obviously, Government departments need money to be run up to the end of the financial year. So long as we are satisfied that the expenditure is for purposes which are proper, as listed, I do not think we will have serious reasons for objecting.

I just want to make two pleas to the Minister. In as much as his hands are tied for the moment, I know he must have already started to prepare for his forthcoming Budget. There are all indications, going both by the advice we got from the weather observation centre in this region and by the delayed rains, that the greater Horn of Africa, where we fall virtually in the centre, is set for yet another debilitating drought. If you look around the grassy patches of Nairobi, although it is nearly mid-April, this is not the picture that we used to see. It is important that we get a cue so as not to be caught with our pants down. We hope, when the Minister prepares the

Budget, he will go beyond what he has committed himself to now.

I know, for instance, that certain boreholes were supposed to have been dug in Northern Kenya. At least I know that, in my district, plans had been made to dig some boreholes, but we have been told that the advertisement has been postponed to the new financial year because of financial constraints. We are being threatened by the prospect of an emergency by the failure of the current long rains.

The second view that I would like to make is with regard to what the Minister himself observed. He did refer to the bad practice in the past, which I fully agree with, of public servants who were actually responsible for directing projects, forming their own proxy companies and bidding for those projects. This clearly was a method of corruption which inflated the cost of those projects and also damaged the quality of projects, particularly roads.

There was a promise which the Minister gave here, which I think does not require legislative enactment, which we would like him to fulfil. I would like him, in his response, to promise us again, but in particular, come out with the circular immediately; namely, for every public expenditure project, not the recurrent expenditure of salaries and running costs, but at least, for capital expenditure, the Ministry should release a circular to be posted at DC's and DO's public notice boards, so that councillors and other local leaders know exactly how much money has come for this project. For instance, the constituency roads funds, in some of our areas, have worked very well because for once people sit there. I know there are areas where the local hon. Members have colluded with some of the officers and things have not run well. But the general feedback we got over the last two years is that the Rural Access Roads Programme has run better because of that transparency. We want this to be a principle adopted by the Government across the board. I am told, indeed, that this is the practice in Uganda, where local people are in a position to actually police and thus ensure that monies allocated for specific projects end up used on those projects. I say this because I have information, for instance, that a particular road, in my own district, got an AIE released in January, but that AIE was spent within one week without anybody visiting the road. We are definitely following it up together with the Minister for Roads, Public Works and Housing. But the best way to avoid these things is to ensure that transparency goes all the way down to the district level.

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

The Minister for Roads, Public Works and Housing (Mr. Raila): Mr. Deputy Speaker, Sir, thank you for the opportunity. I was not here when the House debated the Supplementary Estimates, but I fully supported what was discussed and the fact that it was approved.

Mr. Deputy Speaker, Sir, the Mover of the Motion has stated very clearly that confidence has been fully restored. I want to concur with him fully that, in the 100 days that we have been in Government, we have managed to restore the confidence of the people of Kenya. This has been confirmed by the opinion poll that has been published today. I want to say that having come from an overseas tour and having also had an opportunity to talk with the representatives of the donor communities, both multilateral and bilateral, we have managed to restore confidence among our development partners. This is because of the actions which have been taken quickly to try to deal with the cancer of corruption. The publication of the three anti-corruption Bills has given a lot of encouragement; that for once, something is now being done to deal with this cancer.

So, Mr. Deputy Speaker, Sir, I fully support the fact that hon. Members should be properly remunerated so that they can devote their full time to the work they have here in the House. In the past, this House used to suffer lack of quorum because hon. Members were busy outside, looking for money. Because of that, a number of important Bills passed through the House here without properly scrutiny by hon. Members. If hon. Members are properly remunerated, they will be able to properly discharge their functions to the people of Kenya. These functions are: One, to do the legislative work, and secondly, the oversight work. I fully support that the public sector should also be properly remunerated so that it is contented. In this spirit, the hon. Members of Parliament of the National Rainbow Coalition (NARC) assembled at Mt. Kenya Lodge and recommended that a commission be established immediately to look into the pay package of the civil servants. We intend to do this because when we go to the Committee Stage of the Public Officer Ethics Bill, we intend to move that public servants should not be allowed to engage in business when they are working as public servants. This will help us to again deal with this issue of corruption. I have said in the past that we lose a lot of money in the Public Service through pilferage.

The Minister for Finance, while moving the Bill here, appealed to the hon. Members to assist him in fighting corruption. This is because there is a lot of business going on in Government which we must try to stop. What we are trying to point out here is the issue of civil servants being suppliers and contractors of the Government.

The Deputy Leader of the Official Opposition has mentioned about the constituency Roads Fund. We would like to have the assistance of hon. Members and councillors to ensure that this money is used properly. We have discovered that, in the past, most of this money was not being utilised for the purpose which it was intended. We have had meetings with officers and we have discovered that it is possible to bring down the cost of doing roads in the rural areas. Three months ago, when we started, we found out that the cost of grading a murrum road in rural areas was an average of about Kshs35,000 per kilometre. Having spoken to our officers and having introduced stringent measures, we have managed to reduce the cost from Kshs35,000 to Kshs15,000 per

kilometre. In the constituencies and districts, where this has been done, the results are there to be seen on the ground. There is much more coverage in terms of grading of the roads.

Therefore, I urge the hon. Members to take keen interest, because it is in their interest to ensure that this money is properly used. If there is any hon. Member who is dissatisfied, the door is open at my Ministry. Come to us and report the officer in charge and we will take appropriate action to make sure that it is stopped. I know that we have a lot of business pending before the House today. Therefore, with those few remarks, I beg to support.

Mr. Okemo: Mr. Deputy Speaker, Sir, while supporting this Bill, I wish to make a few remarks relating to some of our worries as I see them.

Mr. Deputy Speaker, Sir, the Minister for Finance did mention that revenue collection is going down. He said that it is estimated to go down by Kshs9 billion. The implication of this trend is that unless expenditure goes down by the same amount, the Budget deficit will go up. If that happens, it will affect the economic growth of the country. If the Budget deficit goes up as a result of revenue collection going down by Kshs9 billion, then a number of things will happen, that could actually militate against the economic growth rate that the Government intends to achieve. The first thing is that, unless we change the Budget structure, whatever amount of money we put in will not have very much effect. Currently, more than 90 per cent of our Budget goes to recurrent expenditure. Only about 10 per cent of the Budget goes to development expenditure. That being the case, we are a consumer nation, and we are not going to achieve any meaningful growth. Therefore, we have to identify areas within the recurrent expenditure, reduce allocations to them and divert that money to development expenditure, so as to facilitate economic growth.

The infrastructure sector is very important. I realise that a lot of effort is being put in this area. Mr. Raila is trying to see what can be done to improve the road network. However, what is going to frustrate him is how to solve the pending bills issue. I realise that he has formed a task force. Its terms of reference are exactly the same as those of two previous task forces, namely, the Mule Task Force and a task force that comprised of external auditors, which did the same thing. Probably, even the task force that has been formed recently will arrive at the same conclusion as the previous two task forces on the matter, only that the Government will have lost a lot of time in catching up with the matter. Therefore, I would like to commend the Minister's effort. However, he should be on the lookout to see that the task force he has formed comes up with something that is meaningful, and which can lead to a permanent solution to the pending bills issue.

As I have previously mentioned, the pending bills issue does not arise just because we have crooked contractors and crooked public servants. It all arises from faulty contracts. Contracts have not been properly structured. They include clauses which allow contractors to charge interest and charge for down time on equipment. Contractors use these loopholes as excuses to make sure that they have escalated the bills they claim from the Government. Therefore, the Government should, first of all, ensure that contracts are properly structured. That should be done by the Ministry of Roads, Public Works and Housing, the Office of the Attorney-General and the Ministry of Finance, so that the contracts themselves can stand on a sound basis.

Mr. Deputy Speaker, Sir, with those few remarks, I support.

Mr. Khamasi: Mr. Deputy Speaker, Sir, I thank you very much for giving me the opportunity to contribute to this debate. I would like to say, at the outset, that I support the Bill. We need to pass it, so that the Minister can raise the money and spend it.

Mr. Deputy Speaker, Sir, what the Minister has told us is very encouraging. It is gratifying to note that, only three months after the National Rainbow Coalition (NARC) took over the Government, inflation has gone down, and that the domestic debt has been greatly reduced. At that pace, we should see very good results by the end of the Government's first twelve months in power.

Having said that, I think we are way behind the public's expectation. The public thought that, immediately we take over the Government, we would implement our policies very fast. That does not seem to be the case. It appears as if we deflated all the four wheels of a vehicle which was being driven by the Kenya African National Union (KANU), got into it and then tried to drive to our destination. That will not work. If we continue doing so, we will crash in that vehicle. What I mean is that we have inherited the entire Civil Service of the previous regime. Civil servants in the previous regime were rotten; they were highly politicised. We inherited them and hoped that we would bring changes in the way things used to be done. We cannot achieve that objective. So, we need to move very fast and change the Civil Service, where necessary, for us to achieve our objectives and meet the expectations of Kenyans.

(Applause)

Mr. Deputy Speaker, Sir, I have in mind key offices such as the Office of the Attorney-General. Last week, we were made to look like babies. We were told that Mr. Ketan Somaia was a very clean man. So, the

Attorney-General did not see any need to have him arrested. He told the House that Mr. Somaia had been given a clean bill of health by the Public Accounts Committee (PAC) and so he could not see why he was being bothered here to have Mr. Somaia arrested. That is a shame. The Minister of State, Office of the President, has confirmed that Mr. Somaia is in custody. It appears that if the Tanzanian Government had not asked the Kenyan Government to arrest Mr. Somaia, he would not have been arrested, because he seems to be enjoying protection from the current Government.

If the chief legal adviser to the Government can say that Mr. Somaia is clean, what do you expect of him? That was a shame. It is incredible for Government Ministers to stand here and claim to be committed to the fight against corruption when the chief legal adviser to the Government protects on the Floor of the House, somebody who is known to have run away from the country to avoid arrest and prosecution. Why did he not come back to the country when the Moi regime was still in power? Now that President Kibaki's Government is in office, he came back, got an escort and travelled all over the country. Now that his arrest is being sought, he wants to take off to London.

Some Ministries have performed very well. I would particularly like to commend the Minister for Education, Science and Technology. We should give him the money he has requested for, because he has proved that he is committed to making education accessible to many children who, up to the beginning of this year, had been unable to access education. However, I have a word of caution. The Government is going to disburse a lot of money to primary schools. What systems have been put in place to ensure that the money will not be misused? For the first time in the history of this country, primary schools are going to have a lot of money in their bank accounts. Primary school headteachers have not seen this kind of money before. Now that we are going to expose them to a lot of money for the first time, what mechanisms have we put in place to ensure that the money will be managed well, and that it will not be misused? I would like the Minister for Education, Science and Technology to address that issue very effectively.

Mr. Deputy Speaker, Sir, the Ministry of Agriculture and Livestock Development has not performed well. So, we want the Minister to wake up. We, the people of Western Province, have a bone to pick with him, particularly on the question of seed maize. We have been getting a raw deal in the supply of proper seed maize.

We know the man in charge has been responsible for the sale of commercial maize and seed maize. That man still wields power at the Kenya Seed Company. Surely, I think Mr. Maitha has done very well. He has been able to move around and shake a few people. What is the Minister for Agriculture and Livestock Development doing with Mr. Tum who is still in office and yet, he has been the architect of selling commercial maize and seed maize to the people? It is necessary for the Minister to address that issue as soon as possible.

Mr. Deputy Speaker, Sir, the Ministry of Roads, Public Works and Housing has done very well. I am just wondering what the Minister will do about what Mr. Okemo has said. That is because recently, in my own district, which is Kakamega, Kshs2 million was given to each of the four constituencies in the district. That amounted to Kshs8 million. We cannot account for what that money has done on the ground. That is because the District Works Officer, who doubles up as the District Roads Engineer, knows what he did! In my own constituency, for a nine-kilometre road that passes near my gate, he claims to have spent over Kshs300,000 clearing bushes which I have never seen! That is clear theft and that matter must be addressed urgently.

Mr. Deputy Speaker, Sir, when we talk about zero tolerance to corruption, we want to address the issue in a much more serious manner. We do not want to be treated to funny music where one day a Minister goes public and says she wants the Governor of the Central Bank of Kenya and the Kenya Revenue Authority (KRA) boss dismissed because they illegally put public money in Euro Bank and yet, her own Permanent Secretary put money in Euro Bank and she says: "Yes! This man is very good because he made Kenyatta National Hospital tick!" What a shame! Are we going to have Ministers who would like to begin protecting civil servants working under them? Unless they are sharing the loot, they should tell us why they should protect civil servants! One Prof. Meme who was actually depositing money in Euro Bank the same way Mr. Munge was doing at KRA---

Mr. Haji: On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to attack somebody who cannot defend himself in the House?

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

Mr. Deputy Speaker: Order, Mr. Sambu! You know you are out of order! Mr. Haji is on a point of order! How can you respond to a point of order with another point of order? May I ask Mr. Khamasi to respond to Mr. Haji's point of order?

Mr. Khamasi: Mr. Deputy Speaker, Sir, that is public information and it is true Prof. Meme has accepted that. We have documents showing that Prof. Meme said that he actually put the money in Euro Bank without permission from the Treasury. So, there is nothing wrong with what I am saying.

In fact, I am surprised that Mr. Haji could stand here and begin telling us that I am talking about somebody who cannot---

Mr. Sambu: On a point of information, Mr. Deputy Speaker, Sir. May I inform my colleague, and the

House at large, that Prof. Meme appeared before the Public Investments Committee and agreed that he deposited money in Euro Bank and apologised to Parliament. That information is in the HANSARD and that is what I wish to give to my honourable colleagues.

Mr. Khamasi: That goes along to help Mr. Haji understand that, that is public knowledge; it is in our books and it is everywhere. I just want to finish so that others may contribute to the Bill. When we talk about our hopes on our development partners like the World Bank, European Union and others giving us money, that is a song that we have heard time and again. From time immemorial, we have heard that song that from July we are expecting money from our development partners. Sometimes, it has come to zero. I am wondering what the Minister is putting in place in this case, and the chances are there, our development partners are not going to give us money. How are we going to deal with the situation? I believe there are means and ways because what we are seeing is not very healthy and I would like the Minister to have something up his sleeve and tell Kenyans how he is going to deal with the economy, if it comes to pass that our development partners are not going to give us money. I would like that issue addressed very seriously, so that we can stop a lot of wastage that has been going on. I think there is a lot of revenue that we can collect in this country, if we stop the wastage in the same manner the Ministers are doing. We can go a long way. I want the Minister to be more careful in the manner in which he collects and pays out the revenue.

With those few remarks, I beg to support.

Mr. Nyachae: Thank you, Mr. Deputy Speaker, Sir. I want to support this Bill and, as I do so, I want to make specific observations. The first observation that I want to make is that the Minister for Finance has started well. But I want to appeal to him and his team to adjust their priorities, to get the economy growing in this country. I think we need to start from the point of view of what our priorities are in this country, which can trigger the economy to grow. Mr. Minister, I want to emphasise the point that the priority of this country, if you want the economy to grow, is to give attention to agriculture. As things are at the moment, there are so many sub-sectors of agriculture which seem to have been given a blind eye. The Minister is not new in the public sector. He knows how much cotton we used to grow in this country. That sector has collapsed. He knows the irrigation schemes, some of which he, himself, planned for when he was a civil servant. They have collapsed. The rice schemes are almost collapsing. As things stand at the moment, the farmers have very little support from the public sector. The Agricultural Finance Corporation is dead! The development loans are no longer available to farmers. That is an area which can provide a lot of employment. I saw in the papers a report about the NARC Government's performance. While they are being commended for very many other things, there is a clear disappointment about employment. So, how do you create employment? Employment is not going to be created by our friends from abroad. Perhaps, the Minister knows that. I know the records can show him that, over the years, the external funds put together in any one year, have not contributed to more than 6 per cent of our requirements! To think that the economy of this country will be jump-started by external aid is misleading. We must accept that the growth of the economy of this country will be achieved from within, and we must target particular areas which will enable the economy to grow.

Mr. Deputy Speaker, Sir, an hon. Member has talked about pending bills. The issue of pending bills will not be sorted out by appointing task forces. Task forces will make similar recommendations to the ones that were made by the Mule Task Force. I appointed the Mule Task Force, it made its recommendations and no action was taken. Another task force was set up and it produced a report and no action was taken on its recommendations. There is some fear; between the Government and contractors. There are certain contractors who cannot be touched. This is the problem. The Government does not want to deal with dishonest contractors. Once it is established that a contractor did not do any work, he should not be paid and should be blacklisted. But nobody wants to tell these contractors that they can be blacklisted. The Government does not want to face these contractors and tell them that they did not do the required job and so they should not be paid any money. The contractors are not being subjected to the recommendations of the task forces.

There are roads which are claimed to have been done and task forces have visited the areas and have found that no contractor has even been on site. If wananchi can give evidence that a contractor did not do any work, why is the Government not ready to tell a contractor that he never did the job? Contractors should produce evidence to show that they honoured the contracts. If the wananchi, who live in areas where such contracts were awarded, can give evidence that the job was not done, why does the Government fear to face the contractors?

As Mr. Okemo mentioned, most contracts are badly done. Most pending bills are as a result of inflated cost of contracts and not the original contract sum. When payments have been delayed by a Ministry, contractors stop construction work, start charging interest and waiting charges and this money inflates the original cost of the contract. This is because of cold heartedness. There have been cases where contractors have gone to court to recover money from the Government. The Government does not hire the services of a lawyer to defend its interest and so judgement is made in favour of the contractor. How will you go against a court judgement when you did not defend yourself? These are the weaknesses that exist in our system. We must try to overcome the issue of

pending bills.

On the issue of roads, the Minister for Roads, Public Works and Housing has been trying to make pronouncements, and I think he is doing a reasonable job. We appreciate that, but we want to know how he is identifying genuine contractors. The Minister, with the help of professionals in his Ministry, should tell us how much it costs to construct a kilometre of road in Tanzania and Uganda, and how long the road takes before it is repaired. I investigated this and I found out that in Tanzania, a road with similar specifications as our roads, lasts three times longer than roads in Kenya. The cost per cubic foot of a road in Tanzania is 50 per cent of what it costs in Kenya. The facts are known. The World Bank knows all these things, yet we have taken no action.

While I support the Minister for Finance, because he means well, I would like to request him that when he comes up with the Budget Statement in June, he should come up with a position that will rectify the weaknesses that have existed over the years and no action has been taken. The NARC Government should not give a blind eye to the contractors' problem the way the former KANU Government did. Contractors got away with corruption. Some Ministers in the NARC Government are giving a blind eye to the issue of corrupt contractors.

Finally, I want to talk about corruption. In my community, there is a saying that even trees and leaves have ears, and when you are discussing a secret somewhere, some branches of trees and leaves watch you and the secret will leak out. Some of you who think that they can still have meetings with Mr. Ketan Somaia, or have some lunches with him in London, and think that Kenyans do not know what is going on, are lying to themselves.

Ministers who are defending people who have been implicated in corruption should not think that Kenyans do not know what is going on. God is so good that he gave us clothes to wear, and they cover so many things. However, we know that a man has a heart, intestines and other organs. You must perform and you should not hide in suits. Your performance will be seen in spite of your suits. I want to inform you that your messengers, drivers and security personnel are Kenyans. They are not as happy as you think.

When I was in the Provincial Administration, I knew that a policeman would salute you while he was insulting you in his heart. So, be careful and do not think that you can get away with corruption. The NARC Government should seriously fight corruption so that we can see that it is different from the former KANU Government.

Thank you.

Mr. Sungu: On a point of order, Mr. Deputy Speaker, Sir. Would I be in order to request the Chair to call upon the Mover to reply since debate on this Motion has been exhausted? May the Mover be called upon to reply?

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

The Minister for Finance (Mr. Mwiraria): Thank you, Mr. Deputy Speaker, Sir. Let me thank all the hon. Members who have spoken in support of this Motion. I just want to make a few points in response to the issues raised by the hon. Members. The first one is that we really do care about the teachers. We are not ignoring them. When the Minister for Finance made a Ministerial Statement earlier this year, he made it clear that his Ministry will pay Kshs2.8 billion come 1st July. But more importantly, in the Supplementary Estimates we are passing today, there is provision of Kshs3.9 billion to meet teachers' salaries and allowances for the remaining part of this financial year.

Secondly, I would like to reply to an hon. Member who warned that we should be careful not to include donor finances in the Supplementary Estimates. I would like to assure this House that, in the Supplementary Estimates before the House, we have not included monies from any of the donors. If it comes, it will be a windfall for us. We will then include it in the Estimates and perhaps do better than we are expecting to do.

On the proposal made by Mr. Nyachae regarding getting our priorities correct, particularly on economic growth, I would like to assure the hon. Members that at the moment we have got the Poverty Reduction Strategy Paper (PRSP) married with the NARC Manifesto. We are now working out an action plan aimed at stimulating economic growth which we all expect. But let me say that we expect growth in two main areas, namely agriculture and industry or agriculture and business. In order to stimulate agriculture and small-scale businesses, we have prepared legislation to establish, regulate and encourage micro-finance institutions which will make credit available to Kenyans at affordable rates of interest. At the moment, the big banks have almost abandoned the small-scale entrepreneurs of Kenya. Their interest rates were too high for anybody to borrow money from them.

Mr. Deputy Speaker, Sir, we can only get lower interest rates if the Government of Kenya stops borrowing domestically, as it has been doing in the past. I was very pleased to hear from the Assistant Minister for Labour and Human Resource Development that they will look after the NSSF funds better than it was done in the past. I would like to propose that the NSSF should consider investing its funds in Treasury Bills which are

guaranteed to give yields better than those got from elsewhere. I feel that instead of buying land at inflated prices and investing its money in collapsing banks, if the NSSF had invested some of its money in Treasury Bills, it would have made good profit. It would also have made sure that the workers' funds were secure. If it had done this, it would have helped the Government to lower interest rates which have been a real bother to us.

Let me complete my remarks by saying that although the Cockar Tribunal recommended that each constituency should be given Kshs20 million for investment, we have not catered for that amount now because of lack of resources. But we will definitely make sure that when we write next year's Budget, we take this into account because I believe that this is one way in which we can reduce the overall dependency on Harambees and the consequent corruption which befalls those of us who are involved.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to move.

(Question put and agreed to)

*(The Bill was read a Second Time
and committed to a Committee of the
Whole House today by leave of the House)*

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

*[The Temporary Deputy Chairman
(Mr. Muturi) took the Chair]*

THE SUPPLEMENTARY APPROPRIATION BILL

(Clauses 1, 2, 3, 4, 5 and 6 agreed to)

(First Schedule agreed to)

(Second Schedule agreed to)

(Third Schedule agreed to)

(Title agreed to)

(Clause 1 agreed to)

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of the Supplementary Appropriation Bill and its approval thereof without amendment.

(Question proposed)

(Question put and agreed to)

(The House resumed)

[Mr. Deputy Speaker in the Chair]

REPORT AND THIRD READING

Mr. Muturi: Mr. Deputy Speaker, Sir, I beg to report that a Committee of the Whole House has

considered The Supplementary Appropriation Bill and approved the same without amendment.

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

The Vice-President and Minister for National Reconstruction (Mr. Wamalwa) seconded.

(Question proposed)

(Question put and agreed to)

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I beg to move that The Supplementary Appropriation Bill be now read a Third Time.

The Vice-President and Minister for National Reconstruction (Mr. Wamalwa) seconded.

(Question proposed)

Mr. Obwocha: Mr. Deputy Speaker, Sir, although we did not contribute to this Bill at the Committee Stage, I want to request the Minister for Finance to note that the amount of money we have passed in terms of excesses was spent by Ministries without authority; from 1997. Now that it has come to the House as excesses, I believe the new Minister for Finance should never allow Ministries to repeat this kind of thing.

Finally, Mr. Deputy Speaker, Sir, I would like to request the Minister for Finance that, in implementing some of these issues, he does refer one or two issues to the Finance, Planning and Trade Committee. There are certain issues that would have been discussed by the Committee of the House before they came here. But since this was the Appropriation Bill after the Supplementary Estimates, I believe he will be able to accede.

Thank you.

The Assistant Minister for Agriculture and Livestock Development (Mr. Osundwa): Mr. Deputy Speaker, Sir, I did not have a chance to speak on this Bill, but what has caught my attention is that the Minister did not say something about the cash ratio. This is the money which the Central Bank of Kenya keeps without paying interest from the bank. I want the Minister to lower this rate so that banks can have more money to release to the private sector so that people can go and employ as many people as possible.

(Question put and agreed to)

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

Mr. Deputy: Next Order!

PROCEDURAL MOTION

REDUCTION OF PUBLICATION PERIOD OF NATIONAL ASSEMBLY REMUNERATION (AMENDMENT) BILL

The Vice-President and Minister for National Reconstruction (Mr. Wamalwa): Mr. Deputy Speaker, Sir, I beg to move the following Procedural Motion:-

THAT, this House orders that the publication period of the National Assembly Remuneration (Amendment) Bill be reduced from 14 days to six days.

This Motion is necessary because, according to Standing Order No.98, no Bill can be validly before the House for debate unless it has been published for 14 days. But the urgency about this Bill is well known to hon. Members. In any case, we have just passed the Supplementary Appropriation Bill in which payment of allowances to hon. Members has just been approved. On that note, I would like to point out that I was particularly pleased to note or hear from the Minister for Finance that, in this Supplementary Estimates, more than Kshs3 billion has been voted for the payment of teachers salaries against the money that is sought to pay hon. Members, which is only Kshs600 million. I think the Minister has got his priorities right. Hon. Members' remuneration has raised all sorts of comments in some quarters less responsible than this and a matter of this nature, the sooner it is disposed of the better for everyone and for the country.

With those few remarks, I beg to move.

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I beg to support the Motion before the House.

In supporting this Motion, I want to fully agree with the Leader of Government Business that we should, perhaps, get over this matter once and for all, and put it behind us. In the past, it has occupied too much of our time. I think it is only fair that we waive the publication period of the National Assembly Remuneration (Amendment) Bill from 14 days to six days.

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

(Question proposed)

Mr. Angwenyi: Mr. Deputy Speaker, Sir, there is some urgency that we finalise this matter, so that we can settle down and begin the business of the House and ensure that the NARC Government implements its pledges to the people of Kenya.

With those remarks, I beg to support.

Mr. Deputy Speaker: Well, I see no other hon. Member willing to contribute and, therefore, I will put the Question.

(Question put and agreed to)

Next Order!

BILL

First Reading

THE NATIONAL ASSEMBLY REMUNERATION (AMENDMENT) BILL

*(Order for First Reading read -
Read the First Time - Ordered to be read
the Second Time today, by leave of the House)*

Mr. Deputy Speaker: Next Order!

Second Reading

THE NATIONAL ASSEMBLY REMUNERATION (AMENDMENT) BILL

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I beg to move that the National Assembly Remuneration (Amendment) Bill be read a Second Time.

Mr. Deputy Speaker, Sir, the Parliamentary Service Commission, on 11th February 2002, appointed a Tribunal to review and make recommendations on terms and conditions of service for hon. Members. The Tribunal finalised its Report and submitted it to the Chair before the end of the Eighth Parliament. Their Report was adopted by the National Assembly on the 11th of March, this year.

Mr. Deputy Speaker, Sir, the Bill before the House has been drafted on the basis of that Report and the recommendations of the Parliamentary Service Commission.

Mr. Deputy Speaker, Sir, the Bill, once passed, will grant the statutory authority to adjust and pay salaries and allowances to hon. Members of Parliament on the basis of the recommendations contained in the Report, in accordance with tables and the stipulations contained therein.

Whereas the rates of payment to be applied in processing the payment are explicit, there are areas where the Parliamentary Service Commission will require to develop procedures to be followed in the payment of the monies involved. One such area is the payment of Kshs3.3 million for the purchase of motor vehicles.

Mr. Deputy Speaker, Sir, the Bill also introduces new allowances which were not there before, namely, extraneous allowance, entertainment allowance and allowance for the purchase of motor vehicles. The transport allowance, which was known as the commuted mileage allowance, has been replaced by the car maintenance allowance.

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! May we, please consult quietly! I think the Chair has appealed to hon. Members, from time to time, on this issue. Could you please co-operate so that we can hear what the Minister is saying?

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I believe hon. Members have had time to go through the Bill before the House and I do not, therefore, wish to go into the details. The Objects and Reasons of the Bill as contained in the Memorandum of Objects and Reasons are clear and do not require further elaboration. I, therefore, urge hon. Members to support the Bill to enable the National Assembly to pay the higher rates of salaries and allowances to the hon. Members of Parliament with effect from 1st January, 2003.

Mr. Deputy Speaker, Sir, let me make one plea, namely, that the Bill as presently published, has got some mistakes in the First Schedule, Part (i), but I intend to move a Motion to amend this at the appropriate time.

With those few remarks, I beg to move.

The Vice-President and Minister for National Reconstruction (Mr. Wamalwa): seconded.

(Question proposed)

Mr. Haji: Asante sana, Bw. Naibu Spika kwa kunipatia hii nafasi.

Nimeona Bunge hili halitaki kufanya kazi leo kwa sababu Wabunge wamepata marupurupu mengi, huku wananchi wakilalamika sana. Ni jambo la kushangaza kwamba hata muda wa Mswada huu kuwa halali umepunguzwa kutoka siku 14 hadi sita.

Bw. Naibu Spika, mimi ninaona kwamba hata ingawa Waziri amesema kwamba gharama ya maisha imeenda chini, ninafikiri huo sio ukweli. Gharama ya maisha katika nchi hii haijaenda chini. Tunajua kwamba kwa miezi mitatu iliyopita, bei ya mafuta ya petroli imepanda maradufu. Ikiwa hali hiyo itaendelea, ningependa marafiki wangu katika chama cha NARC wasidanganywe na kura ya maoni iliyotumiwa kudanganya KANU wakati wa uchaguzi uliopita. Ukweli ni kwamba wananchi wana shida nyingi na wangetaka maslahi yao yaangaliwe kwa kila njia. Mimi ninajua kwamba sisi watu wa Mkoa wa Kaskazini Mashariki tunamshukuru Rais Kibaki kwa yale maneno ambayo alizungumza hapa. Ningewaomba Mawaziri wawe waaminifu kwa yale ambayo Rais alisema na watekeleze vile Rais alivyosema, ya kwamba atahakikisha kuwa watu wa Mkoa wa Kaskazini Mashariki wanasaidiwa. Ukweli ni kwamba, ni Bw. Karisa Maitha peke yake ambaye ametembelea sehemu zote za nchi, bila kujali kama ni maeneo ya KANU au ya NARC. Mawaziri wengine wanatembelea tu sehemu ambazo wanajua walipata kura. Jambo hilo linatutia woga na hofu; ya kwamba pesa tutakazopitisha kwa mambo ya maendeleo labda zitatumika tu katika sehemu za NARC.

Nikigusia mambo ya magari ambayo Wabunge watapeleleza, sisi Wabunge wa Mkoa wa Kaskazini Mashariki tuna taabu kuliko Wabunge wengine wote kwa sababu barabara kule kwetu hazipitiki. Kwa zaidi ya miaka 40, barabara zimeharibika zaidi kuliko hata wakati wa ukoloni. Sisi ndio tunahitaji magari kwa hakika. Naona kuwa si haki hata kidogo kumpa Mbunge gari la Kshs3.2 million wakati Wakenya wana taabu nyingi. Utaona kuwa Wabunge watapeleleza magari na huku wengine hawatarudi hapa baada ya miaka mitano. Hii ni kusema kwamba, baada ya kila miaka mitano, mtu akichaguliwa kama Mbunge, atakuja hapa kupewa gari mpya la bure. Ni vizuri ifikiwe ya kwamba hilo gari---

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! Mr. Haji has a right to express his opinion!

Continue, Mr. Haji! I will protect you!

Mr. Haji: Sioni kama ni lazima Wabunge wapewe magari mapya. Hii Serikali ya NARC haifai kuwaogopa Wabunge ili iwe ikiwafurahisha kila mara. Labda baada ya kuenda Mt. Kenya, ili kuwabembeleza watu hapa, ndipo ikasemekana kuwa Mswada huu upitishwe. Kama Mswada huu utapitishwa, basi inafaa hayo magari yarudishwe kwa wananchi wa Kenya baada ya miaka mitano hata kama mtu atachaguliwa au la.

Kwa hayo machache, asante sana.

Mr. Deputy Speaker: Mr. Muchiri!

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! There is no reason to be excited. Mr. Muchiri has the Floor and I expect that hon. Members will give every hon. Member an opportunity to express his view.

Mr. Muchiri, proceed!

Mr. Muchiri: Thank you, Mr. Deputy Speaker, Sir. Let me make a few comments regarding this Bill. First of all, I want the House to know that when matters of remuneration are being discussed, it is important---

(Loud consultations)

Mr. Deputy Speaker, Sir, I need your protection!

Mr. Deputy Speaker: Order, hon. Members! This is the last time that I will stand to protect an hon. Member. Any hon. Member causing another not to contribute will see the door. Let us not do that.

Mr. Muchiri!

Mr. Muchiri: I think it is important that matters regarding remuneration of any staff in this country must go hand in hand with productivity. While supporting this Bill, I would like to see Parliament sitting for more hours than what we do at the moment. I think we should change our Standing Orders so that we can sit on Thursday morning and on Tuesday morning; for at least two hours. It is important to note that when Members of Parliament seek to facilitate movements to their constituencies, that is not asking for too much. We need the rest of the country to really see our predicament. Some of us, who have already entered Parliament and who have been doing campaigns for a long time, know that it is difficult to access facilities which assist one to become a Member of Parliament.

It is only fair that hon. Members are given advance salaries to buy vehicles that will enable them to go to their constituencies. As you know, the infrastructure of this country is very bad. Some of us have to travel very far. Kenyans should understand that hon. Members really require to be facilitated to be able to do their work effectively. For that matter, I think opposition to this Bill should cease.

As I support this Motion, I believe that the terms and conditions of service for other cadres of employees of this country should also be looked into. It is important, and we have agreed in the NARC Government, that civil servants' salaries be improved. It will go a long way to build consensus and confidence among civil servants.

Mr. Deputy Speaker, Sir, this is a straightforward Bill and I beg to support it.

Mr. Deputy Speaker: I will now call upon the Mover to reply because I cannot see any other hon. Member who wants to contribute.

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I thank all hon. Members who have contributed. In my opening remarks, I said that the Parliamentary Service Commission (PSC) needs to work out ways of implementing some of the provisions in the Bill, including the award of Kshs3.3 million. It was interesting to hear what Mr. Haji said.

In fact, he suggested a possible way of implementing that allowance.

[The Minister for Finance]

Mr. Deputy Speaker, Sir, I agree entirely with the last speaker who said that Parliament should actually apply itself a little more to its work. There should be no lack of quorum, if possible. When we have business we should, as suggested by Justice Cockar's Tribunal, in fact, increase our sittings so that we can get through the business of the House in good time.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to move.

(Question put and agreed to)

*The Bill was read a Second Time and
committed to a Committee of the whole House
today by leave of the House)*

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

[Mr. Chairman took the Chair]

THE NATIONAL ASSEMBLY REMUNERATION (AMENDMENT) BILL

Mr. Chairman: Hon. Members, we are now in the Committee of the Whole House.

Clause 2

Mr. Angwenyi: Mr. Chairman, Sir, I beg to move:-

THAT, Clause 2(b) be amended by deleting the proviso and substituting therefor the proviso "provided there shall be no payment for more than two sittings in any one day".

Mr. Chairman: Mr. Angwenyi, the Minister is the one who is supposed to move such an amendment. I would like to draw the attention of the House to Section 48 of the Constitution of Kenya, which reads as follows:-

"Except upon the recommendations of the President signified by a Minister, the National Assembly shall not proceed upon a Bill, including an amendment to a Bill, that, in the opinion of the person presiding, makes provision for the imposition of taxation or the alteration of taxation--"

Therefore, if necessary, the amendment by Mr. Angwenyi should be proposed by the Minister. In any case, Mr. Angwenyi, I do not have a notice from you, of your intent to move an amendment to Clause 2. I have a notice in respect of another clause, but not in respect of Clause 2.

Therefore, I will put the Question.

(Clause 2 agreed to)

(Clauses 3 and 4 agreed to)

(Clause 5 agreed to)

Clause 6

Mr. Angwenyi: Mr. Chairman, Sir, I beg to move:-

THAT, Clause 6 be amended:-

(i) by deleting sub-sections (a) and (b),

(ii) by deleting item (i) of the Second Schedule,

(iii) Item (ii) of the Second Schedule be amended by deleting the word "and" between the words "Ministers and Assistant Ministers" and by adding the words "and all Members of the National Assembly" after the words "Assistant Ministers".

(Question of the amendment proposed)

The Minister for Finance (Mr. Mwiraria): Mr. Chairman, Sir, the Cockar Tribunal made it clear that the mileage to be paid at "AA" rates will be for actual journeys. That is what was provided for under (a). Under (b), there is no problem and that, in fact, is catered for in the proposal that Mr. Angwenyi made.

I would like to be satisfied that, by amending (iii) to include the Speaker, Deputy Speaker, Vice-President, other Ministers, Assistant Ministers and Members of Parliament, we are catering for (a) and (b). I need to be satisfied that we are doing what the Tribunal recommended before I pronounce myself.

Mr. Chairman, we have come under---

Mr. Chairman: Order, hon. Members! In accordance with Standing Order No.17(2), it is now 6.30

p.m. and, therefore, this Committee cannot conclude this business because the time is up. Therefore, we have to report progress in accordance with the Standing Orders, so that this Committee will continue tomorrow by leave of the House.

Therefore, I propose that in accordance with Standing Order No.42, this Committee do now report progress.

(Question proposed)

(Question put and agreed to)

(The House resumed)

*[The Temporary Deputy Speaker
(Mr. Muturi) in the Chair]*

PROGRESS REPORTED

THE NATIONAL ASSEMBLY
REMUNERATION (AMENDMENT) BILL

Mr. Musila: Mr. Temporary Deputy Speaker, Sir, I beg to report that the Committee, having not been able to complete its work, requests that this House allows more time for consideration of the matter tomorrow.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Muturi): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 9th April, 2003 at 9.00 a.m.

The House rose at 6.35 p.m